# THE FINANCIAL POST

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## PRODUCTION IN CANADA SOARS TO NEW LEVELS

### Grain Statistics For 1922 Approach 400,000,000 Bushel Mark

### BUSINESS PROSPECTS

#### Retail Conditions Regarded As Satisfactory in the United States—Extending Period of Prosperity

Canada's crop, mineral, fishing, and forest production during 1922 is estimated to have reached a value of over $1,516,273,200, exclusive of the value of the live stock and dairy products. This is a material increase over the previous year. Statistics have just been issued giving a final estimate of the grain crop of 1922 and this shows that the farm production was by far the largest in the country's history. The estimate is practically 400,000,000 bushels of grain or practically 100,000,000 more than 1921. The wheat crop alone was 6,000,000 bushels over the previous high, 1915. The average wheat yield in 1922 was 17¾ bushels as compared with 13 the previous year.

Estimates of the various other production results would indicate that the fur trade will be about the only one to fall below the previous year. The fur trade has been hard hit, first by the forest fires and then again by a lessening of demand for export which has resulted in an easing of prices as evidenced at the recent Winnipeg auction. Pulp and paper and lumbering production and values have firmed and wool prices also. Mineral production shows a material increase while the fishing production is not only higher but the prices are better than a year ago. The fruit crop was hit in very much the same way as the other farm products. There was a heavy production last year of all kinds of fruits and there was a corresponding weakening of prices. In many cases farmers left fruit on the trees to rot rather than pick it for the prices that were offering.

An analysis of the grain statistics shows that not only was there a great deal more grain produced, with a greater yield per acre, but the grade was better. The estimated production of the various crops follows:

| | 1921 | 1922 |
|---|---|---|
| Grains | 931,863,670 | 962,616,200 |
| Fisheries | 34,930,735 | 42,000,000 |
| Mineral | 172,327,580 | 180,622,000 |
| Wool | 2,975,000 | 3,250,000 |
| Forest | 296,000,000 | 316,000,000 |
| Fur | 10,151,594 | 9,250,000 |
| Fruit | 496,272 | 535,000 |
| | 1,448,744,851 | 1,516,273,200 |

Dairy and Livestock totals are also expected to be materially higher.

Most interesting is the value of the wheat crop. Here are the figures:

| | 1922 | 1921 | 5 yr. aver. |
|---|---|---|---|
| Acreage | 22,422,693 | 23,261,224 | 18,545.868 |
| Bushels | 399,786,400 | 300,858,100 | 236,025,200 |
| Average Per acre | 17¾ | 13 | 12¾ |
| Value | $339,419,000 | $242,936,000 | $392.546,320 |
| Other values— | | | |
| Oats | 185,455,000 | 146,395,300 | 270,406,080 |
| Barley | 33,335,300 | 28,254,150 | 57,487.789 |
| Rye | 18,703,200 | 15,399,300 | 12,744,150 |
| Aggreg. | $962,616,200 | $931,863,670 | ..... |

#### The Business Situation

In their effect upon Canada's export market, particularly for agricultural products, the European developments are being closely followed in the business world, but the situation has developed so many complexities that for the time being no very definite trend can be noted. The security markets reflect this uncertainty. The industrial situation in Canada continues satisfactory, much as in the closing period of the year. In retail circles there is the usual period of slow buying but it is noted that real price reductions encourage demand and latent buying power is in evidence.

Those who follow the situation in the United States as indicating developments to be anticipated in this country find conditions encouraging. According to the Bache Review the cautious prognostications for business progress which were limited to the first six months of the year are being extended to the full twelve months. The rise in prices has been a stimulating factor in business expansion, but should it be continued it will tend to curtail the period of prosperity.

Emphasizing the importance of retail trade in estimating the business outlook, the National Bank of Commerce in New York regards the prospects for 1923 as good. Wages in most industries are high, and unemployment is practically nonexistent. The position of farmers, while still unsatisfactory, is better than it has been at any time since 1920 and the character of sales by mail order houses indicates that they are no longer confining their purchases to the barest necessities.

Stocks of goods, already low, in many lines have been depleted to the point of exhaustion during the past few weeks, and retailers are coming into the markets to replenish them. Wholesalers', jobbers' and manufacturers' stocks are not heavy, and any general replenishment of stocks by retailers will necessitate increased production by manufacturers.

## Premier King Failed to Meet the Fuel Crisis

Canadians are suffering from a shortage of coal for the heating of their homes. There has been great inconvenience and considerable hardship and suffering. And there are still weeks of winter ahead which are regarded with apprehension by the majority of householders who have their furnaces and stoves on short rations and little if anything in their coal bins.

That the fuel crisis was a national one demanding a practical solution by Premier King in the public interest, was emphasized by THE FINANCIAL POST in its issue of September 1st. It was then pointed out that the whole remedy was to bring out coal from England. We quote:

**THE FUEL SITUATION SERIOUS; PREMIER RUNS AWAY FROM IT**

"The coal situation is very serious; in fact, more serious than I think the majority of the people believe and unless the government and the municipalities act at once, people are likely to suffer for lack of fuel this coming winter. The remedy is to bring coal out from England."

These are the words of one of the best authorities in Canada—a man whose extensive business interests—he is a large user of coal and a large employer of labor—have compelled him to give close attention. He is deeply, very deeply, anxious. Moreover, he is a man whose advice has been sought in times of political and business stress, and it has always been sound. It should therefore rule to-day.

Also, to Hon. Mr. King, from the vantage point of Premier of all Canada, most important information in its most reliable form is available. Twice in public addresses this week he said a fuel famine and great suffering are inevitable. He agreed we were facing a great national calamity.

Mr. King has been the outstanding figure in Canada in advocating Federal assistance, co-operation and even interference in local troubles. He claims responsibility and support for the elaborate and costly system under which local petty differences between a few workers and their employers in a remote section of the Dominion may or must be settled by the national authorities at the expense of Canadians as a whole.

It was to be expected that, with this record of Federal interference in local questions—matters in which small sections only were interested—Mr. King would have announced immediate action by the Federal Government on the big problem in which the whole country to-day is interested, the alleviation or prevention of the suffering, which he admitted was inevitable for citizens in all parts of the Dominion.

Instead, he delivered an elaborate essay on each occasion on individualism versus nationalism, in which he completely abandoned this policy; abandoned his job as our national leader and showed that it was a mistake for citizens to lean on National Governments. In this coal emergency he advised each citizen to look out for himself.

The coal situation is the greatest national question that Canada is facing to-day. We need national leadership and direction, and our elected leader runs away from it.

Experience suggests that Hon. Mr. King should abandon his impractical theories, his essays and his books and call in a group of national executives to advise and assist him.

Premier King must shoulder a burden of the responsibility for the present situation in which so many people are suffering. A theorist who has advocated all sorts of government experiments to replace individual effort, he failed in the first important crisis he was called upon to face as the country's prime minister; he left the people to shift for themselves when a situation arose in which something practical might have been done by the government.

Failure to provide practical leadership in the face of the fuel crisis is a black mark against Premier King which blots out whatever impressions may have been left by the lovely theories which he has worked out in his books and essays. Theories are a poor substitute for fuel in facing a Canadian winter.

## McDougall Resigns From the Steamships Board

MONTREAL. — It is understood that Dr. W. J. McDougall has resigned as a director of Canada Steamship Lines.

From the Writings of John Wanamaker Merchant

*A Great Man Is not Tied*

to his own opinions, his hates, his preferences nor his prejudices, but is big enough to weigh existing circumstances and passing events.

It is only a narrow man who is hidebound and strenuously "opinionative."

There are men so profoundly confident of themselves that they say they attach no importance to public opinion. This is a proof that they do not merit its good will.

No man knows it all—neither a part of the time nor all of the time.

## PARTY CRITICISM NOT SHARED BY BUSINESS MEN

### They Endorse Trade Treaties With France and Italy

### AIDING PRODUCTION

#### Good Work Done by Fielding and Lapointe in Europe—Italy Rebuilding Economically on Sound Basis

Special Correspondence.

OTTAWA.—The Conservative Opposition are belittling the Fielding-Lapointe trade treaties with France and Italy. They think he would have been better employed at home promoting interprovincial trade. This they consider more important than to bring more money into the country. France and Italy, they say, are bankrupt—which is untrue—and the business we can do with them is piffling. Italy bought from us last year well over $15,000,000 and France nearly as much—our sales were confined almost entirely to grain, fish and paper. Politicians think customers who buy $30,000,000 a year from us, even in bad times, are not to be encouraged, and nursed up to $100,000,000 as these two may become.

Business opinion, on the other hand, even in extreme Conservative circles, is very friendly to the Liberal policy of making preferential trade arrangements. These and an increase in our general tariff were the only directions in which the government could work to protect and aid Canadian production after the severe and unfriendly set-back given us by the new U. S. tariff. Canadians had adapted their production for U. S. buyers. They had neglected other fields, believing in the permanency of their neighbor's demand. They never thought he would be so shortsighted as to endanger his own export trade in manufactured goods by suddenly refusing to buy from his best customer and leaving that customer with millions of products for which he had no market at any price.

### ITALIAN BUSINESS IMPROVES

#### Factories are Becoming Increasingly Active—In Market for Raw Material

The following copyright cable to the New York Herald on Italian business conditions from its Rome correspondent is reprinted by permission. It confirms what THE POST said many months ago on the soundness upon which Italy was rebuilding her economic structure. There are powerful interests in that country that are now very friendly to Canada and it is a most promising field for export trade development. The cable says:

"A substantial increase in home consumption, coupled with an ever growing confidence in the Government's economic policy, has effected a marked recovery of industry, and the period of financial crashes can be said to have passed. Although Turkish trade is practically gone, owing to the crisis in the Near East, and the Ruhr occupation has already had its effect here, business has registered gains elsewhere.

"Textiles have enjoyed a doubled demand in home and Eastern European markets, particularly in Jugo-Slavia and Bulgaria, and cotton is being bought in large quantities in New York, where a year ago it was aquired bale by bale from warehouses in Genoa.

"Machine works, especially automobile factories, are increasingly active, the F. I. A. T. plant in Milan having restored the night shift, instead of closing down, as was threatened some months ago. This concern is placing large orders both at home and in South America.

"Bankers believe the new business stability will prove permanent, though a slight fall in the lira has made them somewhat reserved in granting credits, but they do not expect the lira to fluctuate to the degree other currencies have varied in the last few weeks. The banks, while not very free with credits for new enterprises, have assisted many old ones to expand after two years virtual stagnation. A leading financier told The New York Herald correspondent that Italy could not be expected to experience a boom as though it were an island of prosperity in the midst of an unsettled Europe, but for that very reason he thought the showing of industry nothing short of wonderful, and ascribed it largely to Mussolini.

"The Premier has announced that he intends to lower the present high protective tariff by means of a series of reciprocal treaties, in response to the demand of Italian manufacturers for relief in duties on raw materials, which, together with the exchange rate, make them hesitate to buy more than they need for immediate purposes. Mussolini also intends thus to open foreign markets to Italian wares.

"The future of railway and telephone operation is still uncertain, as offers are coming in from American interests for private control."

### CANADIANS BUY U. S. STEEL

From Our Own Correspondence.

NEW YORK.—Canadian holdings of United States Steel common decreased almost six thousand shares between January 1. 1922 and Jan. 1, 1923, according to statistics made public by the corporation. Shares owned in Canada at the beginning of the current year totalled 24,948.

## Idiotic Policy Brought on Inquiry

THE OUTBURST against high freight rates on the Great Lakes has made it politic for the Dominion Government to appoint a royal commission to inquire into "the alleged combine of shipping interests in its efforts to dominate and control the freight rates and terms under which grain has been carried from the harbors of Fort William and Port Arthur."

Indiscriminate charges against "combines" and "trusts" are familiar party fodder, and often are employed with insincerity and a reckless disregard of existing conditions or a fair appreciation of the dominating law of "supply and demand," but there are indications, as THE FINANCIAL POST has repeatedly urged for weeks past, that "natural" laws of trade were not allowed to apply in the fixing of rates; that the excessive charges were due in large measure to the existence of a practical monopoly in the form of a "shipping" concern with headquarters in Winnipeg, and that this agency took a most unfair advantage of a heavy wheat crop to gouge excessive profits that were mulcted from the western farmer, and intensified the discontent as well as the unhappy conditions under which he was producing.

Thus, through the grasping, short-sighted policy of a few big shareholders in Canada Steamships in forming a subsidiary through which big profits could easily be secured for themselves, public opinion has forced an investigation by the government—an investigation which will probably mean a further government grip on legitimate industry. Here again we find business suffering from government interference because of the idiotic policies of certain grasping executives. The result will be that not only will the shareholders whose interests are represented by these executives suffer but the whole business of lake transportation is likely to be subjected to strangling government regulations and restrictions.

Two feasible solutions seem possible—if monopolistic elements are proven to have existed—to temper the consequence of government interference. One referred to the abrogation of coasting laws whereby the free entry of United States vessels would be permitted. There is another that seems to have been overlooked for a time, and that is the inclusion of lake carriers under the jurisdiction of the Dominion Railway Board. Efforts to accomplish this were made year after year by J. E. Armstrong, former member for East Lambton, but this was perennially killed in committee through the influence of the shipping interests. If a monopoly is shown to exist, or the welfare of Western Canada injured seriously through excessive profiting out of accidental conditions, it may well be advisable for the Dominion Government to revive the Armstrong Bill as a Cabinet measure.

## Further Material Increase in the Estimated Cost Chippawa Power

### Engineering Experts Have Altered Figures to Cover Error In Estimate Supplied by the Hydro Commission—New Report to the National Electric Light Assoc.

Because of an error in the figures of the cost of the Chippawa power development made by the Ontario Hydro Electric Commission, Messrs. Murray and Flood have prepared a supplementary report on that project for the National Electric Light Association. The result of the new report is to increase still further the cost of power from the new development and it thereby still more strongly supports than did the previous report, the confirmation of these well known engineering authorities of THE FINANCIAL POST'S contention that the extravagances and unsound judgment exercised in connection with the Chippawa undertaking will mean greatly increased power costs for manufacturers and domestic consumers. Following is the revised estimate:

**Revised Cost of Power to the Niagara System Based Upon Sir Adam Beck's Published Estimate for the Cost of Queenston-Chippawa as of February 10, 1922.**

| | Cost in Dollars per H. P. Year | | | |
|---|---|---|---|---|
| | A | B | | |
| | | At Delivery Points of Niagara System | | |
| | At Plant Busses With H.E.P.C. Accounting Methods | With H.E.P.C. Accounting Methods | With Taxes Added | With Taxes Added and Sinking Fund Deducted |
| 1.—With 275,000 H.P. installed at Queenston and the diversion permitted by present International Treaty | $33.00 | $38.10 | $40.60 | $34.40 |
| 2.—With 275,000 H.P. installed at Queenston and a diversion of 40,000 c.f.s. to Canada and U. S. as recommended by U. S. War Dept. | $24.90 | $31.10 | $34.00 | $28.15 |
| 3.—With 575,000 H.P. installed at Queenston and a diversion of 40,000 c.f.s. to Canada and U. S. as recommended by U. S. War Dept. | $22.85 | $29.30 | $31.00 | $27.30 |

On the basis of these estimates Murray and Flood argue that "the estimated cost of power from Chippawa cannot be figured other than in excess of that which the municipalities were enjoying in 1920," and this is not hard to understand when it is considered that for many years Hydro got power from the efficient corporation developments at Niagara at less than $10 per horse power. The wholesale cost for power to the municipalities and companies of the Niagara system as stated in the Commission's annual report for the fiscal year of 1920, was $19.80 per horse power of which $9.40 per horse power comprised the cost for transmission under the conditions of 1920. Contract these figures with the new Chippawa estimates.

**Chippawa Did Not Help Win the War**

The extravagant cost of the Chippawa development is emphasized by Murray and Flood. It is pointed out that "when construction costs were low the development in Quebec was at a much higher rate than in Ontario but when the construction costs were high Ontario proceeded with construction at a high rate, regardless of cost."

Of course, the Hydro plea has been that Chippawa was constructed to supply power for war-time industries and to meet a national emergency. Special concessions were secured on this ground and it has been suggested that a large portion of the cost be written off and charged up to the taxpayers on this account.

Murray and Flood point out that the situation as regards power shortage was the same in the United States and the report continues:

**"Compare the speed of getting additional power to the people of Ontario from Queenston-Chippawa development which was not realized until three years after the culmination of the war, with the speed of construction of the river plant of the Buffalo General Electric Company on the American side of the river near Buffalo, which was constructed and placed in operation in a little over a year and was supplying power to the war industries long before the armistice was signed.**

**"Incidentally, in the light of the facts that have transpired, we believe the position we have taken in regard to the construction of the Queenston-Chippawa development as a war**

(Continued on page 4)

## WITHHOLDING OF CASH THREATENS SETTLER SCHEME

### Flow of Funds to Colonization Scheme Said to Have Eased

The Canadian colonization movement, predicted by some to be the one scheme designed to settle up all Canada's waste lands and fill the Dominion's great unpopulated areas with the choicest of settlers, seems destined for a period of rocky going, if not absolute failure.

The troubles started recently when some of the leaders of the movement resigned their high positions. Vague reasons for such steps were given. However, rumor hath it, that confidence in the success of the movement has been seriously on the wane and with this feeling abroad, the financial contributions began to ease up. Ready cash is and has been the real life blood of the movement. The settlers were to come after.

The financing of the scheme was carried out by securing large contributions from leading firms and financiers of the country. An immense sum was promised and heavy payments have been made. In all about $200,000 has been spent. Now it is said these large contributors are steadily halting their contributions. It is understood that some of the largest in Toronto and Montreal have refused to pay more until they go further into the matter.

M. A. Brown, who was the main organizer of the scheme was asked if there was any truth in the report that bad days had come upon the movement. His answer was to turn to a discussion of the weather.

## AGITATORS HAVE MANY SCHEMES TO APPEAL TO FARMER

### Alberta's Attorney General Defeats Moratorium Move.

### FOREIGNERS ACTIVE

#### They Led the Debate in Favor of a Provincial Bank at the Farmers' Convention in Alberta

From Our Own Correspondent

WINNIPEG.—The United Farmers of Manitoba and the United Farmers of Alberta do not exactly see eye to eye on the vexatious question of farm finance. The Calgary convention of the U. F. A. opposed the debt funding proposal advanced by President Burnell to the Brandon convention of the U. F. M.

The organized farmers of Alberta, in convention, however, favored the idea of a provincial bank under federal charter, though it should be pointed out here that Cora Hind in her observations of the convention reached the conclusion that "the large number of those who spoke endorsing the provincial bank and condemning the present system spoke with very markedly foreign accents."

As the farmer debate on the banking question progresses it is clearly revealed that there is a widespread ignorance of international economics and their bearing upon Canadian banking. In fact the Manitoba Free Press analyzing the demand for a national banking structure similar to Australia's reaches the conclusion that "surely in the face of the figures it needs little understanding to know that the establishment of a national bank in Canada after the pattern of the Australian institution means reduction not enlargement of loans to traders, including farmers."

The Attorney-General of Alberta, apparently taking the bull by the horns, succeeded in swaying the U. F. A. convention from an endorsation of the debt funding structure which President Burnell of the U. F. M., advocates as a remedy for the farmers' financial ills. Hon. J. E Brownlee soundly reminded the Alberta farmers that they were not a law unto themselves; that Alberta as a province was obliged to enter the "sensitive bond markets." And there was the rub. It was made clear to the Calgary convention that a debt funding structure was virtually a moratorium, and the international effect upon any province which institutes a moratorium was stressed with the result that the resolution about to go before the convention, favoring the Burnell measure was sidetracked.

**Opposed to Moratorium**

The resolution, which was emphatically rejected after Mr. Brownlee's address, asked for absolute safeguarding of the individual farmer until a debt funding scheme could be put into operation (which meant a moratorium, the Attorney-General declared,) and recommended that provincial bonds be issued sufficient to "liquidate the debts under the funding plan," and that the federal government be asked to issue Dominion

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Men, Money and Management—British Mergers for Efficiency—Even the Globe Begins to See It—Back Salesmen With Advertising—British Unemployed for Canada—Sir Adam Condemns Government Ownership.

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# INDUSTRIES NEED LARGER MARKETS FOR EXPANSION

Movement to Develop Export Trade is Becoming General

## UNIVERSITIES AID

In U. S. as Well as Canada Instruction in Methods Is Now Being Provided

The oft-repeated contention of THE FINANCIAL POST, that the solution of Canada's industrial problem, both marketing and unemployment, due to the seasonableness of their present trade, lay in the development of export trade, is well developed by John A. Russell, Detroit, editor of the Michigan Manufacturer and Financial Record. He recently addressed the Border Cities Chamber of Commerce on this subject. He said that the development of export trade was a problem common to the United States and Canada. The manufacturers on both sides of the line adjacent to the Great Lakes, he said, are beginning to realize that domestic business is largely seasonable, and that the only way to make it active the year around is to go in for the export business. We should be able to give employment to our men at least 300 days of the year.

"Our manufacturers came to a realization of this three or four years ago, and investigated the matter of establishing an export trade. Our conclusions reached then were far from satisfying. We found, that if Detroit were to get orders for millions of dollars' worth of goods for export, that they would not be in a position to handle them.

"We found that foreign trade and its proper handling was a science. We found that very few men really knew anything about it.

**Foreign Trade Schools**

"In order to overcome our lack of knowledge, we have established in our University of Detroit, with which I happen to be connected, a foreign trade school. There are 16 trade schools in the United States. One of them, at Georgetown is designed for the training of men for the United States consular service. In all the rest of them, except ours, they largely teach the history, the peculiarities and the languages of foreign peoples. The University of Detroit is the only one that goes after the export problem from a business point of view in our country. And its facilities are as available to your young men as they are to ours.

"In order to do business with foreign countries it is necessary to know what kinds of products those countries will absorb. We don't want to make the mistake made by an American firm—it is an extreme case—which set out to sell its surplus of ice skates in the republic of Colombia.

"Not only must we know what foreign countries will absorb, and the form the people of these countries want the goods in, but what they are able to offer us in the way of exchange. There is no real trade without the exchange of goods. Then, too, trade in kind is getting to be more of a necessity in these days of the foreign exchange muddle.

"We have drawn our instructors from all sorts of places. Legation attaches at Washington have helped in many ways. Trade information is being supplied us all the time by those of our own citizens and the graduates of our university, who have gone into foreign lands.

**Proper Documentation**

"Another thing that is most essential for the exporter is documentation. He must be able to conform to the requirements for foreign customs officials in order that the governments may be able to collect the moneys due them in duties. Improperly documented shipments are not conducive to a furtherance of foreign trade for the exporter, who is responsible for them. The man who is teaching documentation at our university is the import buyer for the S. S. Kresge chain of 10-cent stores. He buys millions of dollars' worth of foreign goods every year.

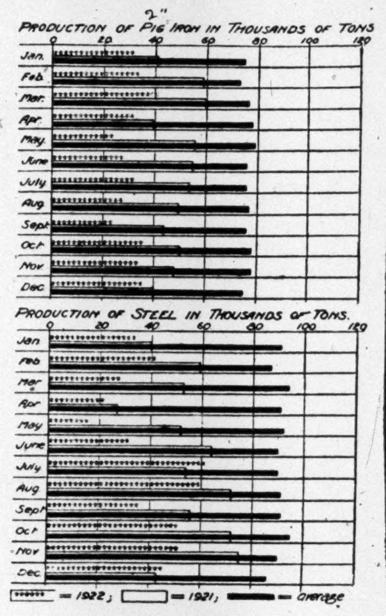
"The teaching of foreign languages is most essential for the proper conduct of the export business. At our university, we are ready to teach such languages as Swahili and Hindustani, when we get a call for them.

"Some day, Detroit and the Border Cities will wake up to find themselves on the seven seas by way of the Great Lakes-St. Lawrence waterway. We will be primary ports of import and export, and, when that time comes, we want to be ready to handle the export business that will be ours."

It is interesting to note that Mr. Russell says that the University of Detroit is the only institution of learning dealing with export trade from a business point of view. Two of Canada's leading universities, Toronto and McGill, have taken the matter up and are conducting short courses in this work. The enrollment was fairly large.

**OTTAWA PURCHASE LOST BY 49**

The recount in connection with the vote on the proposal to purchase the Ottawa Street Railway shows that the measure was defeated by 49 votes instead of six, as was announced on the night of the election. The figures announced by the judge at the close of the recount were: for the purchase, 3,533; against the purchase, 3,582.




## Pig Iron Production Up, But Steel Down

From Our Own Correspondent.

MONTREAL.—The production of pig iron in Canada during December was 4.7 per cent. above the record of the previous month, the tonnage comparing as 35,891 to 34,289 for November, 1921. The average monthly production in the year just closed was 31,921 tons and the output during December exceeded the average by 12.4 per cent. Total production of pig iron during 1922 was 383,057 tons as compared with an output of 594,354 tons in the previous year. The decrease, therefore, was 211,297 tons or 35.5 per cent. The largest production during the year occurred in March with 41,733 tons, and the minimum in May with 23,363 tons.

Steel production in December declined 4,763 tons below November, the record being 46,655 tons, as compared with 51,418 in November. Total production during 1922 was 485,643 tons, as compared with 667,484 tons in 1921, a decline of 181,841 tons or 27.3 per cent.

## FOLLOW OUT MOST RIDICULOUS ORDERS

Is Advice of Authority on Export Trade in Dealing with Packing Question

No matter how ridiculous the shipping instructions are, it is sound procedure to follow them, was the statement made to the export trade class at the Toronto University Extension Course in a paper prepared by A. L. Dawe, Montreal. E. H. Wilkinson, Toronto, read the paper. It was stated that the reputation of Canada as to packing and shipping was favorable in foreign markets. This was an advantage over the United States as he stated there were unsettled claims for millions standing against U. S. mills for faulty packing on export business secured by them immediately after the armistice.

In dealing with the packing question, he cited an order received from a buyer in Belgium who requested that shipment of a certain kind of paper be wrapped in small bundles giving length, breadth and weight. This seemed to be an unusual request in connection with this particular kind of paper, and on investigation it was found that the Belgium buyer was ordering these goods for an importer in South America and the destination was some hundred miles inland, and the shipment had to be carried to this buyer on the backs of mules. Another case was given where a buyer in India requested that the bands on the bales be painted red. Upon investigating this seemingly peculiar request it developed that the purchaser required this for more ready identification.

## UNIONISM A YOKE ON COAL OUTPUT

Non-Union Men Better and Steadier Workers and Earn More Money

That non-union miners work more steadily, make more money and produce more coal, is shown by statistics on coal production in the strike area of the U. S. mines, compiled on results of 1922 operations following the strike. Canadians and Canadian industry have been seriously inconvenienced by the strike. Figures compiled of union and non-union districts on late operations show that the union centres fall far below the non-union in the matter of production, days worked and miners' earnings, in fact, every union centre tells a story of inefficiency in production.

Two examples typical of the general situation can be cited as examples for comparison purposes, one a union, one a non-union:

| Country | Prod. per. Mines Tons | Cost per Ton | Days Wkd. | Days Wages |
|---|---|---|---|---|
| Union | | | | |
| Clearfield | 3.9 | $2.00 | 120 | 8.09 |
| Non-Union | | | | |
| Washington | 5.2 | $1.61 | 142 | 8.50 |

An important consideration is the fact that the scale of the union miners is about 30% above that of the non-union.

Perhaps the most striking fact is that 82,834 non-union miners, 47% of the total miners in Pennsylvania, produced 55% of the total tonnage or over 706 tons per man as compared with a state average of 619 tons per man. It is noted that the wages of the non-union miners were below $8 in only two cases and the average earnings for each person employed was over $1,100.

# CHANGES IN TAX REGULATIONS ARE SOUGHT BY C.M.A.

Asking That Losses One Year be Deducted from Profits Next

## GIFTS FOR CHARITY

Should be Allowed in Income —Deducting Insurance Premiums—Deputation to Ottawa

From Our Own Correspondent.

MONTREAL.—An important conference is taking place at Ottawa this week-end between representatives of the various divisions of the Canadian Manufacturers' Association, the wholesale associations, the Retail Merchants' Association, and the Cabinet in reference to matters of taxation in this country. Suggestions have been sent in from the provincial divisions of the C. M. A. and the other associations and these will be considered first at a meeting of the taxation committee, and afterwards, when an agreement is reached, will be submitted to the Minister of Finance and members of the cabinet, probably in the form of a recommendation.

There will be no effort made, THE FINANCIAL POST understands, to induce the government to make any radical change in the present principles under which special taxation is being imposed in Canada to provide surplus revenue. No suggestion has been made, for instance, that the corporation tax be removed or even reduced, nor yet the income tax. There would appear to be some difference of opinion as to whether the sales tax of 4½ per cent. should be increased or not. A good deal of opposition has arisen to any increase, and it is thought now that the present tax produces a considerable volume of revenue and an increased tax might bear too heavily on the ultimate consumers who are the real payers of the tax.

There has been a suggestion that the stamp tax be repealed on the ground that it is awkward to carry out and also on account of its bearing heavily on various groups, but here, again, the stronger opinion appeared to be that this tax should remain for some time as a revenue producer.

Among the suggestions for amendment to present legislation is one that would permit life insurance premiums being deducted from taxable income on the ground that the government should encourage life insurance as a protection to widows and orphans, as this is generally a most desirable provision which should escape the income tax. This would make considerable reduction for each individual as in the case, for instance, of a $500 insurance premium the amount remitted or allowed would be $20.

Another suggestion is that gifts to charity both on the part of corporations and individuals be deducted from the taxable income up to an amount of 15 per cent. of the net income. It will be stated in support that this is the law in the United States and should be adopted in Canada.

One of the most important suggestions will be that allowance be made for losses in the case of corporations and to balance these up against profits. As the law has stood ever since its inception in Canada, if a man lost $10,000 on one year and made $15,000 the next year he would pay an income tax on the $15,000 the second year, whereas his net gain in the two years would be only $5,000. It will be pointed out that in the United States the law is so arranged that a man may take two years to wipe out losses, and that losses made in one year are allowed for the next two years. For instance, if a loss was made in one year of $10,000, and a profit made the next year of $5,000, there would be no income tax and if the profits the third year were only $7,000, that would leave an amount of only $12,000 on the two years to offset the loss of $10,000 the first year, leaving an income chargeable only on the $2,000 net profit taken in the three years. On the other hand if a loss of $15,000 in one year were only partly made up in the two succeeding years, the privelege would end, and the full income tax be charged for the fourth year. The failure of the income tax law to take cognizance of losses in any one year has always been considered a hardship in Canada.

## Big Power Development In British Columbia

Hydro-electric energy amounting to 400,000 horse-power is involved in the plans of the Bridge River Power Co. (Ltd.) in British Columbia. The contemplated development is at a point where this river bends south from Seton Lake, Lillooet, where a tunnel 12,000 feet in length will connect the river and the lake and afford a head of 1,200 feet.

The dam site on Bridge River has been drilled and data obtained for designing a dam 250 feet high. The water to be impounded will extend up the river for a distance of 50 miles, the fall above the dam being only 7 feet per mile, while below the dam it drops 30 feet in the same distance.

Power to be generated from this development will augment the Vancouver Power Co.'s present plants at Coquitlam and Stave Lake, and will be used for the city of Vancouver, the Pacific Great Eastern Railroad, mines, and industrial establishments in that vicinity.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Established 1837. Incorporated 1880.

| | |
|---|---|
| Capital Authorized and Issued | £9,000,000 |
| Capital Paid Up | £3,000,000 |
| Reserve Fund | £3,250,000 |
| Reserve Liability of Proprietors | £6,000,000 |

Head Office 71 Cornhill, London, E.C. 3

The Bank has 187 Branches, viz:

| | |
|---|---|
| In Victoria | 43 |
| In New South Wales | 42 |
| In Queensland | 19 |
| In South Australia | 14 |
| In Western Australia | 20 |
| In Tasmania | 3 |
| And in NEW ZEALAND | 46 |

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General Manager



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Rest and Undivided Profits £1,403,735
Deposits ...... ..... .... £40,265,016

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Secretary, J. B. Adshead.
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# FEASIBILITY OF PACIFIC GRAIN ROUTE DOUBTED

## Elevator Operator Says The Available Tonnage Not Sufficient

### EXCEPTIONAL YEAR

Rush of Grain Down Lakes Resulted in Abnormal Rates While Small Crop in Pacific States Made Space Cheap

From Our Own Correspondent.

VICTORIA.—Availability of ocean tonnage at competitive rates is the most important factor that must be taken into consideration in discussions of the Pacific coast's opportunity in developing westbound grain traffic.

That is the opinion obtained by THE FINANCIAL POST from one of the most prominent elevator operators in the prairie provinces. This operator, whose views are based on many years of personal and intimate contact with the grain trade, does not agree with the majority of Coast businessmen who have been agitating for increased elevator accommodation at Vancouver and the installation of grain storage facilities at Victoria and Prince Rupert.

It is only fair to point out that the operator's contention that there will be insufficient tonnage to handle the Western Canada crop—that is to say the proportion of it which would roll to the Pacific seaboard under normal conditions—is disputed by shipping men here, who believe that if the business was offering there would be an abundance of ships to handle it.

"Exports of wheat this season from Portland and Seattle have been very light, owing to the short crop in Washington, Oregon and Idaho, which crop I believe only turned out about 60 per cent. of the previous year," states the operator. "As a consequence there has been a great reduction in the available wheat tonnage out of those ports on this crop year, and it has been due in a large measure to the lack of wheat cargo at Portland and Seattle which has contributed to the increased supply of boats at Vancouver this season.

"I think it could be stated, without fear of contradiction, that if there had been as much wheat available for shipment from Portland and Seattle this year as there was last year, then the amount of tonnage available for Vancouver would have been very much smaller than has been the case, and should those above mentioned three states produce a normal crop next season it is going to be interesting to watch what effect that normal crop is going to have upon the volume of available tonnage for British Columbia ports at competitive rates.

"It seems to me that all the wheat raised in the above three states is going to find its outlet through Portland and Seattle at all times in preference to Vancouver shipments, for this season, that the wheat raised in the Pacific Coast states must naturally find its outlet on the Pacific coast, because of such exorbitant all rail rates eastward from shipping stations in those states, whereas, on the other hand, wheat in Alberta and Saskatchewan can flow equally as freely to Fort William as it can to Vancouver, and I think you people who are figuring on the expenditure of public money to increase the terminal facilities at Vancouver and other coast ports should first give some thought to the probable volume of tonnage which may be available to load grain at competitive rates. I know there is a class of people living out on the Pacific coast who never think of the tonnage rate when they think of Vancouver as an export channel. All they think of is that the ocean is full of vessels and the tonnage rates cut very little figure, and that all they need is the wheat and the facilities to handle it, and the wheat will go that way for export.

"We must not forget that the unexpected clogging up of the Buffalo-Atlantic route this year, owing to car shortage, resulted in much higher lake freights and therefore that made it possible to pay a higher freight rate from Vancouver via the Panama on this crop than would normally have been the case. It is our opinion that, generally speaking, tonnage rates from Vancouver, in order to compete with the eastern route, will have to be around 30 shillings per ton, and your shipping companies claim this is a losing proposition to them. Naturally, if it is not a profitable proposition to them they will not likely come to the Canadian ports on the Pacific for wheat cargo unless they are stuck and require something for ballast to take them back to Europe. In other words, your supply of tonnage to load wheat on the Pacific coast is going to be regulated largely by the inwards cargoes of merchandise and the outwards cargoes of grain from Portland and Seattle.

### B. C. ASSOCIATION ANGRY

The Vancouver Association of Life Underwriters is reported as withdrawing support from the Canadian Life Underwriters, pending an explanation of the failure to support the coast association in its demand on the B. C. legislature for a law against part-time agents. It is stated that members of the coast organization declare that there is a wide discrepancy between the published statements of the legislative committee of the Dominion Association and their actions, which it is hinted, were used to offset the efforts of the B. C. organization.

## To Extend Relief in Southern Alberta

From Our Own Correspondent.

EDMONTON.—A renewal of the Southern Alberta relief scheme for another year will be proposed on the government programme of legislation. It will be in a somewhat modified form, however, it having been found that, while the necessity of some measure of relief in the dry belt still remains, the better crops of the past year have lessened the amount of assistance likely to be required. The government has been in consultation with both the mortgage companies and the farmers' organizations as to desirable changes in the scheme for its second year.

## C. P. R. PREFERRED AS A RAILROAD BUILDER

### Canada Central and E. D. & B. C. Roads Out of Hands of Alberta Government

From Our Own Correspondent.

EDMONTON.—An agreement has been reached between the Alberta Government and the management of the Union Bank in Winnipeg by which the construction of the proposed extensions to the Peace River railway lines will be proceeded with. Votes covering twenty-eight miles of new construction from the present termini of the Canada Central and E. D. & B. C. roads, both originally J. D. McArthur enterprises, were passed by the legislature last year, and the work was to have been done during the summer. The Union Bank, however, pressed its claims as a mortgagee of the McArthur Company, and it was found impossible to carry out the building programme for 1922 as first intended.

Terms have now been made with the bank interests, and the construction operations will begin in the coming spring. It is a condition of the agreement that the Canadian Pacific Railway, which is now operating both lines under special arrangement with the government, shall build the extensions instead of the government's railway department, and it is further provided that the bank's present security shall not be in any way affected or prejudiced.

The proposed extensions will carry the northern railway lines into the still farther northwest of the Peace River and Grande Prairie districts. Settlement has gone well ahead of the railroads, and there has been a strong demand from the settlers for transportation service.

## KEEPS FOREIGN BUYER CONSTANTLY ADVISED

### Reliability a Big Factor in the Building of Export Trade

The importance of the shipper keeping the foreign buyer constantly advised as to the progress of a shipment of goods was stressed by H. R. Pousette, director, Commercial Intelligence Service, Ottawa, when introducing one of the speakers last week, in connection with the Export Course at the University of Toronto. He referred particularly to a firm in Singapore who told him about a British construction firm always keeping them advised along this line. If, for instance, as happened during the year following the war, the entire shipment could not be sent at once, a letter was dispatched pointing out just what part had been sent, and why the rest was delayed. When an order was given them they always replied promptly, telling as near as possible when delivery could be expected and invariably kept the foreign buyer informed as to just what was being done.

This buyer, Mr. Poussette stated, swore by the British firm. It was difficult for any other to get the business from them. They had had experience with other shippers, many of whom apparently did not care how the shipment was sent or when, or what part of it. These did not get any repeat business.

## Alberta Strong for the Pacific Route

From Our Own Correspondent.

EDMONTON.—Endorsation of the Pacific grain route as the logical way to market for Alberta wheat has now been expressed in a manner that is calculated at least to give some support to the campaign the British Columbia interests are putting up at Ottawa. Premier Oliver has stated the case here from his province's point of view, which he represented as also in the general interest of this province, and the co-operation of the government and the board of trade was promised him.

## Winnipeg Pelt Prices Are Slightly Lower

The annual mid-winter fur sale at Winnipeg was held recently and resulted in transactions totalling over $300,000. Prices were slightly lower than last year. The major portion of the 150,000 pelts sold are for export.

The prices range:

| | High mark | Average |
|---|---|---|
| Mink .. .. .. .. .. | $10.25 | $6.50 |
| Beaver .. .. .. .. .. | 29.00 | 15.00 |
| Muskrat .. .. .. .. | .90 | 1.20 |
| Silver Fox .. .. .. | 185.00 | 20.00 |
| Crossed Fox .. .. | 89.00 | 60.00 |
| Red Fox .. .. .. .. .. | 20.00 | 15.00 |
| Marten .. .. .. .. .. | 50.00 | 25.00 |
| Fisher .. .. .. .. .. | 122.00 | 60.00 |
| Otter .. .. .. .. .. | 36.00 | 25.00 |
| Weasel .. .. .. .. .. | 1.10 | .85 |
| Lynx .. .. .. .. .. .. | 23.50 | 18.00 |
| Wolf .. .. .. .. .. .. | 18.50 | 16.00 |

# A RETALIATORY TARIFF FEARED BY LUMBERMEN

## Ottawa is Petitioned to Remove Tax on U. S. Imports

### INDUSTRY REVIVING

British Columbia Operators Are Looking for a Marked Improvement in Prairie Demand

From Our Own Correspondent.

VICTORIA.—Fear of retaliation by the United States government in the matter of lumber tariff, is behind the petition of British Columbia lumber operators for removal of the present 25 per cent. duty on imports of American lumber. The operators believe that if this duty is not removed, President Harding will exercise the authority given him under the Fordney-McCumber legislation and place a similar 25 per cent. duty on Canadian lumber shipments into the United States, thus shutting out the products of British Columbia's sawmills from one of their most dependable and profitable markets.

Lumber interests on Vancouver Island are so disturbed over the prospect of a retaliatory tariff being put into force that they have refused to accept orders for shipment after February 5.

British Columbia expects to benefit bounteously from the movement of prairie grain to the Pacific seaboard for trans-shipment, as this comparatively recent development is releasing a greatly increased number of box cars for handling eastbound lumber shipments. Vancouver and other British Columbia ports are clamoring for increased facilities for handling the growing volume of wheat routed west for export to the United Kingdom and the Orient and if the coast gets the elevators it is agitating for, the railroads will be able to supply sufficient "empties" to carry lumber eastward.

**Better Prairie Market**

Conditions in the British Columbia lumber business are vastly improved over what they were a year ago. Export trade, at present active, is likely to continue good, with Australia buying in much greater volume than usual and Japan and China again in the market in a big way.

One hundred million feet of lumber will be required by the three Canadian prairie provinces, Alberta, Saskatchewan and Manitoba, this year, according to advices received by coast mills. This means an increase of at least twenty million feet over last year.

To settle matters relating to the placing of orders with British Columbia operators, terms, credits, prices and means of delivery, a party of nearly five hundred prairie lumber dealers will journey to the coast from Winnipeg, where the annual convention of the Western Retail Lumbermen's Association is being held next month. The prairie market for British Columbia has opened up early and several substantial orders have been placed already. Stocks in prairie retail yards are now virtually depleted, and while demand was extremely low last fall the prospects for big business this year are bright.

There has been a general recovery in the lumber business and expansion of industry in the east and mid-continent territory has resulted in the placing of more orders in this district than can be satisfactorily handled. Practically all the mills are now booked with as much business as they can take during the next three months. The shingle trade has also improved.

## Earnings on Increase in the Steel Industry

Earnings of the American steel companies in the first half of the current year will be favorable, according to the Wall Street Journal. United States Steel and the well-established independent companies showed surpluses in the last quarter of 1922, the turning point for the industry after two years of depression.

Net profits of steel companies in the current quarter will show substantial gains over the preceding quarter and the second three months should show up even better.

The steel industry is always slow to recover from depression. Last year steel companies were showing deficits while many other lines were recording substantial surpluses. But earnings of the steel industry gain rapidly after the deficit point has passed.

### MAKING TARRED PRODUCTS

**New Company, Alexander Murray, Inc., Now Being Organized**

From Our Own Correspondent.

MONTREAL.—A new company will be formed shortly to be known as the Alexander Murray Inc., for the manufacture of all tarred products including ready roofing, road materials, paints, stains, disinfectants, etc. It is understood that the same interests in London, England, who now control the Dominion Tar & Chemical Co., will largely control the new company and operations will be carried on at the present plant of the Dominion Tar & Chemical Co., in Montreal. Two former officials of the Barrett Co. will be chiefly in charge, John C. Runkle as president, and A. E. Marden as general manager. G. J. Munn, former president of the Alex. McArthur Co., of Montreal, will be on the Board of Directors.


**THE ROYAL BANK OF CANADA**
Statement to the Dominion Government (Condensed)
December 30, 1922
Head Office MONTREAL

| LIABILITIES | |
|---|---|
| Capital Paid up | $ 20,400,000.00 |
| Reserve Fund | 20,400,000.00 |
| Undivided Profits | 1,007,514.19 |
| Notes in Circulation | 27,804,932.54 |
| Deposits | 380,263,509.05 |
| Due to other Banks | 13,630,974.42 |
| Bills Payable (Acceptances by London Branch) | 4,898,882.10 |
| Acceptances under Letters of Credit | 4,616,006.45 |
| | $473,021,818.75 |
| ASSETS | |
| Cash on Hand and in Banks | $104,394,262.88 |
| Deposit in the Central Gold Reserves | 9,000,000.00 |
| Government and Municipal Securities | 31,661,385.99 |
| Railway and other Bonds, Debentures and Stocks | 13,469,650.72 |
| Call Loans in Canada | 15,184,618.01 |
| Call Loans elsewhere than in Canada | 35,509,382.59 |
| | $209,219,300.19 |
| Loans and Discounts | 244,199,303.88 |
| Liabilities of Customers under Letters of Credit as per contra | 4,616,006.45 |
| Bank Premises | 12,200,023.55 |
| Real Estate other than Bank Premises | 1,520,639.00 |
| Mortgages on Real Estate sold by the Bank | 246,545.68 |
| Deposit with Dominion Government for Security of Note Circulation | 1,020,000.00 |
| | $473,021,818.75 |

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Bonds may be registered as to principal and interest

Trustee - - National Trust Company, Limited, Toronto

CAPITALIZATION
(When present financial plans completed)

| | |
|---|---|
| Capital Stock: Issued | $5,500,000 |
| Bonds Authorized | $5,000,000 |
| Bonds Outstanding (this issue) | $3,500,000 |

The remaining $1,500,000 of bonds can only be issued against 60% of cost of additions to property and plant

SINKING FUND

An annual sinking fund has been provided, beginning one year from the date of issue which will redeem the full amount of outstanding bonds by maturity. The bonds will be purchased in the open market if obtainable at or below the call prices; if not, they will be called at the following prices:—104 and Interest from 1924 to 1928 inclusive; 103 and Interest from 1929 to 1933 inclusive; 102 and Interest from 1934 to the maturity of the bonds

The bonds are callable either for sinking fund purposes or as a whole at the above mentioned prices

From information received from Messrs. P. Burns & Company, Limited, we summarize the following:

**THE COMPANY AND ITS BUSINESS.**—P. Burns & Company, had its inception at Calgary in 1890 and has developed steadily ever since, having made satisfactory profits in each one of its thirty-two years of existence, with only one exception. The Company owns valuable properties at Calgary, Edmonton, Vancouver, Prince Albert, Regina, Lethbridge and Vernon, at which points it operates abattoirs, packing houses, yards, etc., for the manufacture and distribution of its products. It owns approximately 20,000 acres of ranch and farm lands, mostly in Alberta, which are used for farming and as pasturage and feeding camps. It also operates 94 retail stores in important centres in Alberta and British Columbia. The value of this retail store system is indicated by the fact that the average yearly earnings from this source for the last ten years have been approximately $240,000.

**All the net earnings of the Company since its commencement have been put back into the business.**

**SECURITY—Real Estate, Buildings and Plant**—These Bonds will be a first charge upon all the undertaking and assets of the Company through specific and floating charges as provided in the Trust Deed securing the same. The Company's packing houses and larger properties were appraised in June, 1921, and its other properties, with the exception of a few at outlying points, were appraised in January, 1923.

| | |
|---|---|
| Appraised value of Real Estate, Buildings and Plant | $7,053,445 |
| Unappraised Properties—Cost of Land only | 122,796 |
| Total | $7,176,241 |

In addition to the above the Company owns unappraised assets at outlying points standing on their books at depreciated values as follows:—Buildings, $52,356; Equipment, $306,640.

**Current Assets.**—After giving effect to the new financing, the net current assets of the Company as of the 31st October, 1922, exclusive of investments in subsidiary companies, certified to by Messrs. Marwick, Mitchell & Co., will be **$4,241,795.69** or over 120% of the amount of bonds outstanding.

**Total Net Tangible Assets.**—The total net tangible assets of the Company available as security for this bond issue, exclusive of investments in subsidiary Companies, will be over **$11,400,000.00.**

**PROCEEDS OF THE ISSUE.**—These will be used to redeem existing securities amounting to approximately $930,000, and to practically retire existing bank loans, thus placing the Company in a strong financial position.

**EARNINGS.**—The net earnings available for bond interest after giving effect to the new financing, and after paying all operating expenses including repairs and replacements which are generous, and interest on bank loans, but before depreciation and Federal taxes certified to by Messrs. Marwick Mitchell & Company, are as follows:

| | |
|---|---|
| Year ending 30th June, 1922 | $703,151 |
| Average annual earnings 5 years 9 months | 609,161 |
| Average annual earnings 10 years 9 months | 663,861 |

| | |
|---|---|
| Earnings for four months from June 30th, to October 31st, 1922, certified to by P. Burns & Co., Limited | $325,000 |

| | |
|---|---|
| ANNUAL CHARGE.—Interest on $3,500,000 bonds, at 6½% | $227,500 |

## DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901

DIRECTORS
E. R. Wood - - - - President
G. A. Morrow - Vice-President
J. W. Mitchell - Vice-President
W. S. Hodgens - Vice-President
A. L. Fullerton - Vice-President
J. A. Fraser - - R. W. Steele
T. H. Andison - A. F. White

HEAD OFFICE:
26 KING STREET EAST
TORONTO

MONTREAL OFFICE
Canada Life Building
R. W. Steele

LONDON, ENG., OFFICE
No. 6 Austin Friars
A. L. Fullerton.

**The entire issue having been disposed of, this advertisement appears for purposes of record only.**

The information contained in this circular has been obtained from sources which we consider reliable. While not guaranteed it is accepted by us as accurate

# ANTI-SOCIALIST SOCIETY FORMED IN GREAT BRITAIN

### To Teach Principles of Sound Political Economy

### TO USE PROPAGANDA

### Will Work Along Similar Lines to Those Followed by the Fascisti in Italy

By Prof. James Mavor, Ph. D.

A society with the title, West of Scotland Economic League, was recently formed (1) to promote by all possible means, but in strictly political lines, the teaching of sound political economy.

(2) To carry on political propaganda to correct economic misrepresentation.

(3) To foster by all possible means those elements that are essential to co-operation between employers and employed, and to resist those that make for dissention and unconstitutional activities.

The league carries on its work by means of open-air meetings, in-door meetings, public lectures, supply of articles to the press, publication of pamphlets, etc., organization of a statistical and information bureau, and the formation of a training school for speakers.

In all of these activities the Economic League attempts to follow the Socialist propaganda and to meet it on its own ground.

The Clyde is the principal field for extreme Labor, Socialist and Communist propaganda. The following list of the activities of the various parties will make this clear.

The Independent Labour Party has 234 branches in Scotland, including 24 in Glasgow. Official speakers of the Party number in Scotland 194; in Glasgow above 100.

The Fabian Society, which has rather indefinite Socialist leanings, has 7 speakers in the Glasgow district.

The Socialist Labour Party has affiliated to it, 17 branches in Scotland, including 5 in Glasgow. The Labour Party: In Glasgow alone there are 15 Divisional Labour Parties, in Scotland as a whole there are 64 Divisional Labour Parties. The Women's Section of the Labour Party of Scotland has 11 sections in Glasgow and 34 in Scotland as a whole.

The Communist Party of Great Britain: This body is frankly revolutionary. It has 13 branches in Glasgow and 40 branches in the smaller Scots towns. The Scottish Workers' Committee: This committee has a newspaper, "The Worker;" it plays a conspicuous role as the Clyde Workers' Committee at any moment of industrial crisis.

In addition to these more or less important and influential groups, there are on the Clyde "the Clarion Scouts," Irish Labour Party of Great Britain, Scottish Labour Housing Association, Glasgow Branch of the Daily Herald League, Socialist Teachers' Society, Catholic Socialist Society, Socialist Sunday Schools, Scottish Labour College, Proletarian College, and Scottish Council for Workers' Education, with 12 branches in Scotland.

This formidable list sufficiently accounts for the existence of the Economic League. It is in effect a kind of non-military Fascisti movement—a very natural reaction to the active Socialist and Communist propaganda.

## Toronto Finance Cpn's Profit $23,149 in 1922

Net profits of the Toronto Finance Corporation are given as $232,149 for the year. Dividends paid totalled $16,963. Discounted mortgages on the books are given as $336,990 as compared with $284,856 as of Sept. 30. Profits at the end of 1921 were $27,782. Assets realizable total $355,274, with current liabilities of $7,705, or net assets of $347,569. Surplus and deferred profits on mortgages total $62,204.

### RAILWAY FOR ARGONAUT?

#### T. & N. O. R. Surveying Line to the Mine

MONTREAL.—Argonaut shareholders are interested in a report from Cobalt that the Temiskaming & Northern Ontario Railway is surveying a line from Swastika to the mine. An official statement from the chairman, Geo. W. Lee, limits itself to declaring that the railway is placing itself in a position to begin building should this be decided upon.

### B. C. ELECTRIC

The November statement of earnings of the British Columbia Electric Railway Co. shows gross amounting to $891,189, as compared with $877,335 for November, 1921, an increase of $13,854. Working expenses, maintenance, etc., at $602,735 showed a decline of $32,166. Net income at $288,454 compared with $242,434, an increase of $46,020. The aggregate gross from July 1, to November 30, amounted to $4,266,650, an increase of $13,848, and the aggregate net at $1,236,790, was higher by $149,955.

### BRAZILIAN TRACTION

The Brazilian Traction, Light and Power Company reports gross earnings for the month of November amounting to 17,735,000 milreis as compared with 14,555,000 milreis for the same month in 1921, an increase of 3,180,000. Operating expenses at 6,495,000 showed an increase of 760,000, while net amounting to 11,240,000 compared with 8,820,000, an increase of 2,420,000 milreis. The aggregate gross for the eleven months ending with November at 179,876,000 milreis, showed an increase of 24,414,000, and the aggregate net at 113,103,000, showed an increase of 27,352,000 milreis.

*Every Investor should have a copy*

**Our Monthly Investment Bulletin contains a fund of useful information**

**The January 1923 issue contains a summary of the Canadian Bond Market for 1922**

*A copy will be mailed you on request*

**NESBITT, THOMSON and Company, Limited**
305-7 Bank of Hamilton Bldg.
TORONTO

Montreal Hamilton
London, Ont. Winnipeg 205

# PLANS COMPLETE TO ELECTRIFY THE T. & N. O. RAILWAY

### Commission Will Shortly Make Recommendation That Work Go Ahead

Plans for the electrification of the Temiskaming and Northern Ontario Railway are in the hands of Premier Drury and the railway commission will shortly recommend that the proposal be gone on with. Electrification depends on traffic and if business is maintained at its present rate, action will come shortly. This statement was made officially to THE FINANCIAL POST by George W. Lee, chairman of the commission.

The electrification plans call for the development of seven small water powers which will supply the needed energy to operate the trains of the T. and N. O.

Mr. Lee stated that 44 miles of steel have been laid north of Cochrane and the right of way and the grading has been completed on the other 26 miles to the point where construction has been authorized. The steel on the balance of this line will be laid by November next. In the meantime there are three gangs of engineers going over the balance of the 90 miles and by August the exact route of the railway to the vicinity of Moose Factory will then be known and tenders will then be called for the construction of the balance of the railway.

In the meantime engineers are going over the proposed route in from Swastika to the vicinity of the Quebec boundary. The present plans are for this branch to run as far as the Argonaut mine. This branch will also serve the Larder Lake area.

## FURTHER INCREASE IN THE COST OF CHIPPAWA POWER

(Continued from page 1)

**among America's allies if it is really necessary to comment on such an innuendo as the chairman of the Hydro-Electric Power Commission casts!"**

**Cheap Power Sacrificed to Get Water For Chippawa**

The commission has constructed the present Queenston-Chippawa development for 27,000 horsepower in capacity which will require 9167 cu. ft. of water per second and as General Taylor brings out in his report to the war department of the United States that there is a surplus of only 575 cu. ft. per second on the Canadian side of the Niagara River, where is the commission going to get its water for this development? Mr. Gaby was personally asked this question by Messrs. Murray and Flood, but he preferred not to answer.

By the use of General Taylor's statement as to existing diversion, it cannot be disputed that 70,500 horsepower of the Ontario Power Company must be closed down under the present International Treaty if 275,000 horsepower is to be developed at Queenston, and that later, if 575,000 horsepower were developed at Queenston, that 162,000 horsepower of the Ontario Power Company would have no water to operate on.

The commission is planning to further develop Queenston-Chippawa to 575,000 horsepower. That will consume 19,167 cu. ft. per second. Why does not the commission explain how 575 cu. ft. per second can be made to do the work of 19,167 cu. ft. per second?

There seems to be but one way water for Queenston-Chippawa can be obtained and that by shutting down such a portion of the commission's other plant at the Falls, as will release the water to the newer and more efficient development. This is the conclusion of Murray and Flood and it fully confirms the statements of the situation which have been made by THE FINANCIAL POST.

# *News and Views for Investors*

### Toronto Rails

Toronto Rails scored quite an advance following an announcement by Hume Cronyn, chairman of the arbitration board, that an effort to clean up the finding within a couple of weeks was being made. Those speculating on an early award are, however, getting no nearer an actual situation than they were before the Cronyn announcement. It has been expected that the award would be handed down before March 1. The big question being, will it be acceptable to both sides or will there be an appeal to the privy council.

### Western Gas Earnings

The Canadian Western Natural Gas, Light, Heat and Power Company, Limited, in the fiscal year ended September 30, 1922, supplied 12,318 customers as against 12,361 in the preceding year. The sum of $891,566 was obtained for the gas consumed, of which $878,437 was from domestic consumers, and $13,128 was from industrial consumers. The average prices or rates obtained for the gas during the year were 43.37 cents for the total consumption, 44.33 for the domestic consumption, and 16.69 cents for the very small industrial consumption still carried on.

### New Textile Issue

An event of some interest this week was the initial appearance on Tuesday of the new Dominion Textile stock after the split-up of three for one. The opening price was 64¾ but there was evidence of a good deal of stock available for purchase, and this with the slightly weaker tendency in the market brought the price at the close of the first session down to 64, which figure was equivalent to 192 for the original stock. The total number of shares now on the market is 225,000, as compared with 50,000 a few months ago. The general opinion on the street seemed to be that there might be some liquidation for a time from those who, for instance, might have had 100 shares increased to 300, and might want to unload 50 or 100 of these, as was the case in some quarters. For those who had held the stock for a few years there was at least fifty per cent. profit represented at the prevailing price of the new, and this was no doubt some inducement to unload when the split came.

### Baldwin Gold Mines

At a special meeting of the Baldwin Gold Mines, Ltd., an offer was considered for 1,600,000 shares of stock from English interests who are willing to pay two shillings per share for the holdings. As 2,100,000 shares are outstanding they would purchase from the treasury 400,000 shares. The sale of this treasury stock would place in the treasury approximately $180,000. About 1,200,000 shares will have to be secured from the shareholders and after more details in connection with the transaction are arranged it is the purpose of the directors to place the offer before the shareholders.

### Brompton's Consolidated Statement

Brompton continues to be one of the most active among the paper stocks. Dealing with this company, Greenshields & Co. in their "Review" for January state that "a consolidated statement of the Brompton Co. and its subsidiaries to be issued under date December 31, 1922, will, we believe, show a substantial profit after interest, depreciation, and preferred stock dividend, with marked improvement in the Company's financial position. Manufacturing operations are now virtually at capacity."

As stated before it is expected that the preferred dividend of 8 per cent. which was passed last year will be restored before the summer. This will be regarded as a good start in the direction of a consideration of renewing the common dividend.

### OAK TIRE'S NEW DIRECTORS

Four new members were added to the Board of Directors of the Oak Tire and Rubber Co. at the conclusion of the annual meeting of the company held recently. The board members are J. F. Brown, Dr. Maguire, H. B. Free, F. D. Law, T. E. Finlay, G. G. Plaxton and D. A. Moir. The financial statement showed a deficit of $56,854, and this was the subject of a great deal of criticism from the shareholders. They found the company's working capital in such a state that the company needs rubber badly but has no money to buy it. It is generally agreed among the shareholders that there will have to be a reorganization. One of the shareholders gave it to the annual meeting as his opinion that there was little chance of getting new capital with Frank Law at the head of the company.

# MARKET INTEREST STILL LAGGING; EYES ON EUROPE

## Conservative Investment Buyers Provide Bulk of The Trading

## MINES ARE WEAK

### Whole List Neglected and Material Softening in Prices Has Been the Result

The markets have been quiet during the week. The Franco-German situation continued to act as a blanket on the ardor of the speculators and the investment public. There has been a little specializing, a couple of paper issues and Toronto Rails along with the new textile issue making up the large bulk of the trading. Towards the end of the period under review the market did broaden a little but the soft tendency continued to prevail.

The bulk of the sales recorded over the week when analyzed show that the strictly investment issues, like the bank stocks, were the only real firm spots. The bank issues are still in demand and there has continued as a result the enhancement of price, two issues having doubled their par value. The uniform strength in the financial position and earning power of these institutions is evidently focusing the attention of the conservative investors.

A couple of the paper issues have been quite active at Montreal, though there has been some attention given to other issues of this group. Some of the industrials and textiles have also came in for attention. Tractions and other utilities have enjoyed a share of the trading at fairly firm prices. The milling issues continue to hold steady on the strength of the excellent fall business which the industry enjoyed. Equipment and steel issues have received some attention because of the recent large orders which have been placed with most of these concerns by the Canadian National Railway.

The mining market has been generally weak and remains so. Trading has been more or less dull, the volume falling materially below that of a couple of weeks ago. The price range throughout the gold list is lower, some of the large producers declining to fairly low marks as compared with their recent range.

The bond market continues rather quiet. The government issues have received most of the attention and a couple of these issues have moved up to new levels.

Brokers cannot see daylight in the market situation. They cannot see why the list should be so neglected. They state that the people across the Atlantic are not worrying. However, the fact seems to be that the investors and speculators are taking the European situation seriously and some of the street leaders declare that they will just have to mark time until the events take a turn for the better.

## HOLLINGER'S POWER PROBLEM IS SOLVED

The Hollinger's water power problem has been solved. The Island Falls, 40 miles north of Cochrane, will be turned over to the big mine for the development of their own power. Negotiations to this end were concluded with Premier Drury on Thursday. Messrs. Noah and Henry Timmins, Manager Brigham and others represented the mining company. Some of the terms of the lease remain to be worked out.

"We are going to get the falls," said an official of the mine when asked as to the terms of the lease, but he said he could not announce what the terms were.

The Island Falls are close to the James Bay extension of the T. and N. O. and will develop 20,000 h. p. Hollinger has a cash surplus of $8,000,000 with which to go ahead with its plans.

## City of St. Catharines Debentures

Sealed tenders endorsed, tenders for the City of St. Catharines debentures will be received by the undersigned until 5 p.m. Monday the 29th day of January, 1923, for the purchase of the following debentures:

$480,000 5½ per cent. serial debentures maturing from one to thirty years (30 annual installments of $16,000).

The debentures will be dated the 1st of February, 1923.

Coupons will be attached for payment of interest at the rate of 5½ per cent. per annum payable half yearly on the 1st day of August and of February each year.

Debentures will be payable both as to principal and interest at the Imperial Bank of Canada, Toronto.

The denomination of each debenture will be $1,000.

Delivery of bonds will be made within two weeks of sale.

A certified cheque equal to 1 per cent. of the par value of the issue must accompany the tender.

The validation order of the Ontario Railway and Municipal Board has been obtained and the legal opinion of Messrs. Long and Daly will be furnished by the city.

The right is reserved to reject any or all tenders.

(Signed) Stuart K. Watt,
City Treasurer.

# February Dividend Payments

| | |
|---|---|
| Dividends | $3,632,291 |
| Bond interest | 7,096,769 |
| | $10,729,060 |

### BANKS

| BANK— | Rate | Date | Amount |
|---|---|---|---|
| Imperial | 3 q | 1 | $210,000 |
| Nationale | 1½q | 2 | 30,087 |
| Standard | 3½q | 1 | 140,000 |
| Sterling | 2 q | 14 | 24,658 |
| Weyburn Security | 3½s | 21 | 18,357 |
| | | | $423,102 |

### INDUSTRIALS, ETC.

| COMPANY— | Rate | Date | Amount |
|---|---|---|---|
| Am. Salesbook, pf. | 1¾q | 1 | $ 53,782 |
| Br. Em. St., 1st pf. | 1¾q | 1 | 119,592 |
| Brompton Pulp, pf. | 2 q | 15 | 40,000 |
| Can. Cement, pf. | 1¾q | 16 | 183,750 |
| Can. Converters | 1¾q | 15 | 30,336 |
| Can. Oil, com. | 1 q | 15 | 16,000 |
| Cedar Rapids | ¾q | 16 | 66,750 |
| Coniagas Mines | 2½q | 2 | 100,000 |
| Dom. Bridge | 1 q | 15 | 65,000 |
| Dom. Coal | 1¾q | 1 | 52,500 |
| Dom. Steel, pf. | 1½q | 1 | 105,000 |
| Eastern Theatres | 3½q | 14 | 17,500 |
| Hollinger Mines | 1 m | 28 | 246,000 |
| Inter. Nickel, pf. | 1½q | 1 | 133,689 |
| Kaministiquia Pw. | 2 q | 15 | 49,940 |
| Monarch Knit, pf. | 1¾q | 1 | 13,125 |
| Mtl. L.H.&P. cons. | 1¼q | 15 | 806,920 |
| Montreal Power | 2 q | 16 | 376,000 |
| Mtl. Tramways | 2½q | 1 | 98,817 |
| Murray Kay, pf. | 1¾q | 1 | 17,500 |
| Ontario Steel, pf. | 1¾q | 15 | 13,125 |
| Penmans, com. | 2 q | 15 | 43,012 |
| Do., pf. | 1½q | 1 | 16,125 |
| Prod. Refiners, pf. | 1¾q | 2 | 51,832 |
| Russell Motor, pf. | 1¾q | 1 | 21,000 |
| St. Law. Flour, cm. | 1½q | 1 | 18,000 |
| Do., pf. | 1¾q | 1 | 10,062 |
| St. Maurice Paper | 1¼q | 28 | 98,748 |
| Steel of Can., com. | 1¾q | 1 | 201,250 |
| Do., pf. | 1¾q | 1 | 113,684 |
| Western Trust | 3 s | 1 | 30,150 |
| | | | $3,209,189 |

q—Quarterly.
s—Half-yearly.
m—Monthly.

### BOND INTEREST DUE IN FEBRUARY

| COMPANY— | Rate | Due | Amount |
|---|---|---|---|
| Abitibi | 6 | 1934 | $105,705 |
| Algoma Can. Term. | 5 | 1962 | 124,817 |
| Canada Bread | 6 | 1941 | 33,132 |
| Canada Foundries | 6 | 1942 | 2,052 |
| Canada Paper | 6 | 1938 | 4,500 |
| Canada Machinery | 6 | 1940 | 9.051 |
| Canada Steamships | 5 | 1943 | 132,992 |
| Duluth South Shore | 4 | 1990 | 302,140 |
| Harris Abattoir | 6 | 1928 | 18,750 |
| Havana Electric | 5 | 1952 | 201,737 |
| Illinois Traction | 5 | 1925 | 75,000 |
| Lyall Construction | 6 | 1932 | 24,561 |
| Mexican Light & Pr. | 5 | 1933 | 283,513 |
| Rogers, Wm. | 6 | 1932 | 11,910 |
| Wayagamack | 6 | 1951 | 138,909 |
| Woods Mfg. | 6 | 1916-31 | 10,500 |
| Wpg. Sub. R. Trans. | 5 | 1938 | 12,500 |

| | |
|---|---|
| Corporation Bonds | $1,491,769 |
| Municipal Bonds | *3,105,000 |
| Provincial Bonds | *2,500,000 |
| | $7,096,769 |

*This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

# STOCK MOVEMENTS OF THE WEEK

### Week Ending Jan. 23

| Banks | Div. Rate | Ask | Bid | High | Low | Close | Sales |
|---|---|---|---|---|---|---|---|
| Commerce | 12+1 | 199 | 198 | 201 | 199 | 200 | 148 |
| Dominion | 12+1 | 200 | 199 | 200 | 198 | 199 | 105 |
| Hamilton | 12 | 163 | — | 170 | 167½ | 168 | 115 |
| Hochelaga | 10 | — | 151½ | 152 | 152 | 152 | 2 |
| Imperial | 12+½ | — | 180 | 180 | 178 | 180 | 46 |
| Molsons | 12 | — | 171½ | 173 | 172 | 172 | 39 |
| Montreal | 12+2 | — | 233 | 236¾ | 232 | 236½ | 198 |
| Nationale | 6 | 100 | 99⅞ | 100 | 100 | 100 | 30 |
| Nova Scotia | 16 | — | 256 | 257 | 255 | 257 | 38 |
| Royal | 12+2 | — | 219½ | 221 | 219½ | 220 | 410 |
| Standard | 14 | 204 | 203 | 204 | 203 | 203 | 41 |
| Toronto | 12 | — | 189 | 188 | 184 | 188 | 68 |
| Union | 10 | — | 138 | 138½ | 138 | 138½ | 27 |
| **Industrials, Utilities, etc.—** | | | | | | | |
| Abitibi Pulp & Paper Co. | 4 | 68¾ | 68½ | 69¼ | 66 | 68⅞ | 5465 |
| Do., pref. | 7 | — | 98½ | 99 | 98 | 99 | 9 |
| Ames-Holden, pref. | — | — | 80 | 1 | — | — | 2 |
| American Salesbook, com. | 8 | 35 | 34 | 35 | 35 | 35 | 30 |
| Do., pref. | 7 | 88½ | 88¼ | 91 | 88¼ | 88½ | 24 |
| Asbestos Corporation, com. | 6 | 64½ | 63 | 65 | 63⅛ | 63¼ | 147 |
| Do., pref. | 7 | 85 | 84 | 84½ | 84½ | 84½ | 10 |
| Atlantic Sugar, com. | — | — | 22½ | 23 | 22½ | 22½ | 235 |
| Do., pref. | — | — | 40 | 42 | 42 | 42 | 15 |
| Barcelona Traction | — | 14 | 12⅞ | 15⅜ | 12½ | 12⅞ | 1666 |
| Bell Telephone | 8 | 116¼ | 116 | 116¼ | 115½ | 115½ | 1499 |
| Brazilian Traction, com. | 4 | 43¼ | 43 | 44 | 43 | 43⅜ | 2689 |
| B. C. Fishing | — | 25 | — | 23 | 23 | 23 | 10 |
| British Empire Steel, com. | — | — | 9¼ | 9¼ | 9 | 9¼ | 330 |
| Do., 1st pref. | 7 | 69¼ | — | 70 | 68¼ | 68¼ | 60 |
| Do., 2nd pref. | — | 26 | 25½ | 25½ | 25 | 25½ | 630 |
| Brompton Pulp, com. | — | 38 | 37½ | 38½ | 37½ | 38 | 3057 |
| Burt, F. N., com. | 10 | 129 | 127½ | 129 | 127 | 127½ | 65 |
| Do., pref. | 7 | — | 128 | 127½ | 127½ | 127½ | 10 |
| Canada Bread, com. | — | 57½ | 57 | 57½ | 57 | 57 | 138 |
| Do., pref. | 7 | 94 | 93 | 95 | 94½ | 95 | 16 |
| Canada Car & Foundry, com. | — | 32 | — | 31½ | 31½ | 31½ | 1 |
| Do., pref. | — | — | 68½ | 70 | 68⅛ | 69 | 411 |
| Canada Cement, com. | 6 | 78½ | 77¼ | 78½ | 77¼ | 77½ | 415 |
| Do., pref. | 7 | — | 100 | 101¼ | 100½ | 101 | 221 |
| Canada Steamships, com. | — | 18½ | 16½ | 17½ | 16½ | 16½ | 215 |
| Do., pref. | — | 50¼ | 50 | 51½ | 49 | 49 | 989 |
| Canadian Converters | 7 | 94 | 92½ | 93½ | 92 | 93 | 178 |
| Canadian Cottons, com. | 8 | 116 | 115 | 116 | 114⅞ | 116 | 265 |
| Do., pref. | 6 | — | 86 | 87½ | 86 | 86 | 20 |
| Canadian Fairbanks Morse, pref. | 6 | 80 | — | 71 | 71 | 71 | 50 |
| Canadian Woollens, com. | — | — | 16 | 16 | 15 | 15 | 92 |
| Do., pref. | — | 64½ | — | 64½ | 64½ | 64½ | 15 |
| Canadian General Electric, com. | 6 | 82½ | 82 | 82½ | 81½ | 82 | 125 |
| Canadian Locomotive, com. | 4 | — | 67 | 68 | 68 | 68 | 10 |
| Do., pref. | 7 | 92 | 91½ | 92½ | 91¼ | 92½ | 333 |
| Canadian Pacific Railway | 10 | 144 | 143½ | 143½ | 142 | 143½ | 417 |
| Canadian Salt | 8 | — | 100 | 100 | 100 | 100 | 24 |
| City Dairy, com. | 10 | 149 | 146 | 150 | 146 | 149 | 145 |
| Do., pref. | 7 | 100 | 99 | 100 | 98 | 100 | 64 |
| Consumers' Gas | 10 | 159 | 157 | 161 | 158½ | 158½ | 293 |
| Detroit United Railway | 6 | 69 | 68 | 70 | 68 | 70 | 435 |
| Dominion Bridge | 4 | 75 | 71 | 72 | 71⅛ | 71⅛ | 35 |
| Dominion Canners, com. | — | 28½ | — | 29 | 28½ | 28½ | 105 |
| Do., pref. | 7 | 75 | — | 75 | 75 | 75 | 180 |
| Dominion Glass, com. | 7 | 93½ | 92½ | 94 | 90 | 92⅜ | 2015 |
| Do., pref. | 7 | 100½ | — | 100 | 100 | 100 | 90 |
| Dominion Textile, com. | 12 | 192 | 191 | 192 | 187 | 192 | 845 |
| Do., pref. | 7 | 109 | 108¼ | 109 | 108½ | 108½ | 20 |
| Dominion Coal, pref. | 7 | 83¼ | 82¼ | 83¼ | 82¼ | 83¼ | 57 |
| Dominion Iron, pref. | 7 | 72½ | — | 73 | 72½ | 72½ | 65 |
| Dominion Steel Corp., pref. | 6 | 77 | 76 | 76 | 76 | 76 | 120 |
| Duluth Superior | — | 30 | 28 | 31 | 30 | 31 | 45 |
| Goodyear Tire, pref. | 7 | 88 | 86 | 86½ | 85½ | 86½ | 71 |
| Howard Smith Paper, com. | 6 | — | 75½ | 76¾ | 75 | 76 | 795 |
| Do., pref. | 8 | — | 101 | 102 | 100 | 102 | 123 |
| Illinois Traction, com. | — | 43 | — | 42¾ | 42¾ | 42¾ | 25 |
| Do., pref. | 6 | 80 | 79¼ | 80½ | 79¼ | 80 | 107 |
| Intercolonial Coal, com. | 8 | — | 70 | 75 | 75 | 75 | 50 |
| Kaministiquia Power | 8 | — | 104 | 114½ | 108 | 114½ | 60 |
| Lake of Woods Milling, com. | 12 | 180 | 175 | 178 | 178 | 178 | 51 |
| King Ed. Hotel, com. | 10 | 55 | — | 55 | 55 | 55 | 6 |
| Laurentide Paper | 6 | 93½ | 93 | 93½ | 93 | 93 | 135 |
| Macdonald, A., com. | — | 11¼ | 11 | 11 | 11 | 11 | 10 |
| Mackay, com. | 7+10 | 110 | 109 | 109½ | 104½ | 109 | 1285 |
| Do., pref. | 4 | 69¾ | 69 | 70 | 69½ | 69½ | 153 |
| Maple Leaf Milling, com. | 8 | 125½ | 125 | 126 | 125 | 125 | 115 |
| Do., pref. | 7 | 98½ | 97 | 99 | 98 | 99 | 88 |
| Montreal Cotton, com. | 6 | 105 | 103 | 104 | 103 | 104 | 34 |
| Montreal Light, Heat, Cons. | 5 | 105 | 104⅞ | 105 | 104 | 104½ | 650 |
| Montreal Telegraph | 8 | 52 | — | 52½ | 52 | 52½ | 87 |
| Montreal Trams | 10 | 160 | 155 | 158 | 157¼ | 158 | 30 |
| National Breweries, com. | 4 | 48⅛ | 48 | 48 | 47½ | 48 | 810 |
| Do., pref. | 7 | 90 | — | 90 | 90 | 90 | 40 |
| Ogilvie Flour, pref. | 7 | 115 | — | 115 | 115 | 115 | 15 |
| Ontario Steel Products, com. | — | 42 | 35 | 40 | 40 | 40 | 200 |
| N. S. Steel, pref. | 8 | 86 | 85 | 86 | 86 | 86 | 5 |
| Ottawa L. H. & Power | 6 | 89 | 88 | 89 | 88 | 89 | 70 |
| Pacific Burt, pref. | 7 | — | 100 | 100 | 99 | 100 | 70 |
| Penmans, com. | 8 | 130 | — | 130 | 129 | 130 | 270 |
| Porto Rico Railways, com. | — | 27 | 26 | 27 | 27 | 27 | 40 |
| Do., pref. | 7 | 81 | 78 | 78 | 78 | 78 | 1 |
| Price Brothers | 2 | 45 | 44⅞ | 45 | 44 | 44¼ | 188 |
| Provincial Paper, pref. | 7 | — | 93 | 94 | 92½ | 93 | 175 |
| Quebec Railway | — | 24½ | 23½ | 24½ | 23½ | 23½ | 451 |
| Riordon Pulp, com. | — | 5½ | 5 | 5½ | 5½ | 5½ | 1 |
| Rogers, William, com. | — | 57 | 54 | 55 | 55 | 55 | 4 |
| Do., pref. | 7 | 90 | 89 | 89 | 89 | 89 | 5 |
| Russell Motor, com. | — | 30 | 20 | 25 | 25 | 25 | 5 |
| Shawinigan | 7 | 115⅜ | 115¼ | 115½ | 113¼ | 115½ | 1582 |
| Sherwin Williams, com. | 6 | 97 | — | 97 | 97 | 97 | 5 |
| Shredded Wheat, com. | 8+1 | — | 150 | 154 | 154 | 154 | 25 |
| Spanish River Pulp, com. | 7 | 95 | 94 | 95 | 93½ | 94½ | 1497 |
| Do, pref. | 7 | 104 | — | 104¼ | 102¼ | 103¼ | 864 |
| Steel of Canada, com. | 7 | 63 | 62 | 63 | 60¾ | 62 | 470 |
| Do., pref. | 7 | 98 | 97 | 98 | 96¼ | 96¼ | 61 |
| St. Lawrence Flour, com. | 6 | 76 | 75 | 76 | 74¾ | 74¾ | 180 |
| Toronto Railway | — | 88½ | 87¾ | 90⅛ | 83½ | 88 | 2210 |
| Tuckett Tobacco, com. | 4 | 55 | — | 53 | 51 | 53 | 46 |
| Do., pref. | 7 | — | 92 | 90 | 90 | 90 | 5 |
| Twin City, com. | 4 | 60 | 59 | 60 | 58 | 59½ | 470 |
| Wayagamack Pulp | — | — | 57 | 59 | 58 | 58 | 150 |
| Western Canada Flour | 8 | 117 | 110 | 115 | 115 | 115 | 19 |
| Winnipeg Electric, com. | — | — | 35 | 35 | 34½ | 35 | 68 |
| Do., pref. | 7 | 84 | 82 | 83 | 80 | 83 | 383 |
| | | — | — | 78 | 78 | 78 | 15 |
| Woods Mfg., pref. | 7 | — | 83 | 85 | 80 | 85 | 15 |
| Canada Landed | 10+1 | 83 | 81 | 83 | 82 | 82 | 30 |
| Can. Permanent | 12 | — | 190 | 191 | 190 | 190½ | 38 |
| Colonial Investment | 6 | — | 8 | 8 | 8 | 8 | 10 |
| Huron & Erie | 7 | — | 115 | 115 | 115 | 115 | 10 |
| Montreal Loan | 12 | 46 | — | 46 | 46 | 46 | 2 |
| Real Estate Loan | 7 | 90 | 90 | 90 | 90 | 90 | 30 |
| Toronto Mortgage | 10 | 84 | 83 | 83 | 83 | 83 | 10 |


# A Record Surplus-Earning Year

THE EXCELSIOR LIFE INSURANCE COMPANY made substantial gains in 1922, having added over Two Hundred Thousand Dollars to its surplus, which now amounts to nearly One and a Quarter Million Dollars.

Interest earned on investments exceeded 7½%.

The mortality in 1922 was only 47% of the expected. During the past five years its assets have increased over 75 per cent., whilst Insurance in Force has been doubled. The following table of results, which will be submitted at the Annual Meeting, indicates the substantial growth:

| | 1917 | 1922 | Increase Per Cent. |
|---|---|---|---|
| Insurance in Force | $24,118,127 | $48,412,253 | 100.7 |
| Insurance issued and revised | 6,068,383 | 9,905,952 | 63.2 |
| Income | 1,085,083 | 1,964,133 | 81.0 |
| Surplus | 786,818 | 1,244,399 | 58.1 |
| Total Assets | 4,593,716 | 8,080,260 | 75.9 |

## THE EXCELSIOR LIFE

INSURANCE COMPANY

Head Office: Excelsior Life Building, Toronto, Canada



# Here is the Result of a Real Test

Valentine & Company, makers of Valspar, without our knowledge, sent out a questionnaire in English, to hardware firms in all the provinces of Canada asking for their recommendations as to which publication would be best for them to use in order to place their messages before the hardware trade.

The results show what we have always claimed regarding the paper that covers the hardware field.

## Please Note the Following:

707 firms recommended HARDWARE AND METAL.

16 firms recommended HARDWARE AND METAL and Western Hardware Dealer.

14 firms recommended HARDWARE AND METAL and Hardware and Accessories.

7 firms recommended HARDWARE AND METAL and Le Prix Courant.

7 firms recommended HARDWARE AND METAL and Hardware Age.

5 firms recommended HARDWARE AND METAL and the Canadian Hardware Journal.

4 firms recommended HARDWARE AND METAL and the Commercial, Winnipeg.

3 firms recommended HARDWARE AND METAL and Hardware Dealers' Magazine, New York.

2 firms recommended HARDWARE AND METAL and Moniteur Du Commerce.

1 firm recommended HARDWARE AND METAL and the Western Retailer.

1 firm recommended HARDWARE AND METAL and Zenith.

1 firm recommended HARDWARE AND METAL, Hardware Age and Le Prix Courant.

1 firm recommended HARDWARE AND METAL, Hardware Age and Hardware Dealers' Magazine.

1 firm recommended HARDWARE AND METAL, Canadian Hardware Journal, and the Hardware Dealers' Magazine.

1 firm recommended Canadian Farm Implement Journal.

2 firms recommended Western Hardware Dealer and Retail Merchants' Monthly.

2 firms recommended Winnipeg Commercial.

1 firm recommended Western Hardware Dealer.

3 firms recommended Hardware Dealers' Magazine, New York.

1 firm recommended Zenith.

1 firm recommended Le Moniteur Du Commerce and Le Prix Courant.

8 firms recommended Le Prix Courant.

3 firms recommended Western Hardware Dealer.

We believe the results of the above independent investigation which was carried on without our knowledge, will set at rest some of the ridiculous circulation claims made by other papers regarding the Canadian hardware trade.

The fact that the company conducting this investigation have decided to place their entire appropriation to the hardware trade in the one publication which through actual investigation has been proven to cover the trade most effectively, indicates which publication reaches the hardware and metal trade across Canada.

## HARDWARE & METAL

Office of Publication

143-153 University Avenue, Toronto, Canada

BRANCHES:

CANADA—Montreal, Southam Bldg., Bleury St., Phone Plateau 946; Toronto, 143-153 University Avenue, Telephone Adelaide 5740. Winnipeg, 810 Confederation Life Bldg., Telephone Main 3449.
GREAT BRITAIN—London, The MacLean Company of Great Britain, Limited, 88 Fleet Street, E. C., E. J. Dodd, Director, Telephone Central 12960. Cable Address: Atabek, London, Eng.
UNITED STATES—New York, Room 1606, St. James Bldg., 1133 Broadway (corner 26th Street), Telephone Watkins 6869; Boston, Room 734, Old South Bldg., Telephone Main 1024; Chicago, 405-6 Transportation Bldg., 608 South Dearborn Street, Phone Wabash 9430.


### UNLISTED SECURITIES

| | Bid | Asked |
|---|---|---|
| Abitibi G. Mtge., 6's, 1940 | 94½ | 95½ |
| Algoma Steel, 5's | .. | 35½ |
| Alta. Pac. Grain, pfd. | 86 | 90 |
| Do., com. | 104 | 111½ |
| American Sales Book, 6's | 98 | .. |
| B. P. & P., 8's, 1941 | 103¾ | 105½ |
| Burns P. 1st, 6's | 102½ | .. |
| Can. Machinery, pfd. | 34 | 38¾ |
| Can. Westinghouse | 117 | .. |
| Cock. P. pfd. 7% | 40 | 45 |
| Coll. Shipbldg., com. | 50¼ | 57 |
| Davies, Wm. Inc. 1942 | .. | 99 |
| Durant Motors | 12½ | 13½ |
| Dunlop Tire, pfd. 7% | 79¼ | 82 |
| Do., 6's | 96 | .. |
| Eastern Car, 6's | 92¼ | 95 |
| Eastern Theatres, pfd. | 65 | .. |
| Do., com. | 6½ | 7¼ |
| F. Play., pfd., 50% com. | 71½ | .. |
| Gunns, pfd. | 38 | .. |
| Goodyear Tire, com. | 15 | .. |
| Harris Abattoir, 6's | 98 | .. |
| Home B. of C. 7% | 95 | 98½ |
| Inter. Milling, pfd. 7% | 88¼ | .. |
| Do. 6's | 94¼ | .. |
| King Ed. Hotel, 7's | 83½ | 85 |
| King Ed. Hotel, 7's | 83½ | 85 |
| Manuf. Life, 20% paid | 42½ | .. |
| Massey Harris | 49½ | 54¼ |
| Mattigami P., deb. | 29½ | 33 |
| Milton Pressed Brick | 33¼ | .. |
| National Life, $25 paid | 50 | .. |
| Nia. St. C. & T., 5's | 38¼ | .. |
| N. S. Steel, 6% deb. | 86¼ | 88¾ |
| R. Simpson, pfd. 6% | 88¼ | 89½ |
| Spanish River, 8's | 104½ | 106½ |
| Sterling Bank | 104¼ | 107 |
| Sterling Coal, com. | 18¾ | 20 |
| Toronto Paper, 6's | 92¼ | .. |
| Toronto Power, 5's | 98¼ | 100 |
| T. & Guarantee, 6% | 70½ | 74 |
| Western Assurance | 5 | 6 |
| Brit. Amer. Assurance | 5 | 6¾ |

# IS SATURATION POINT IN SIGHT FOR NEWSPRINT?

## Moderate Warning Issued at Annual Convention Pulp-Paper Men

## FROM 3.825 to 4.315

### Increase by End of Next Year in Daily Production—Remarkable Progress of Industry Shown

**From Our Own Correspondent.**

MONTREAL.—Probably the most important section of "a special survey of conditions in the pulp and paper industry" given at the annual convention of the Canadian Pulp and Paper Association this week by Edward Beck, manager of the Association, consisted of a mild warning against the possible over-production both of newsprint and of pulp in the next few years.

"Satisfaction over past achievements should not lead us to underrate the possibilities of the future," he declared. "There is no reason why our industry should not continue to expand and to keep pace with the growth of the country and with the natural increase in the universal demand for its products. Possibly, however, we may be going ahead a little too rapidly. Overconfidence as to an unabated continuance of the present demand for our products may lead us into undue or too rapid development. There are already danger signs in one or two directions that the saturation point is in sight. We should guard against unnecessary and excessive production, which is apt to prove as unprofitable and undesirable for the consumer as it is for the producer."

Mr. Beck quoted figures showing a probable increase from 3,825 tons a day during 1922, to 4,315 tons a day or 1,300,000 tons a year by the end of 1924. On this point he spoke as follows:

"When it is considered that the newsprint mills of Canada, now in operation, or under construction, or for whose construction provisions have been made, are committed to a program which will give them a combined output capacity of 4,315 tons a day, or practically 1,300,000 tons a year by the end of next year; that production in the United States is also due for an increase, attributable to new machines now in process of installation; that the total demand for this class of paper on this continent, practically our only assured market, at its maximum had never exceeded 2,500,000 tons a year, that United States production has never failed to equal at least 58 per cent. of this demand, and that the tonnage due from Canada by the end of 1924 will equal 57 per cent of the greatest volume of consumption in any one year, the figures may naturally invite a question as to whether expansion has not reached or is it approaching the danger line?

"Similar conditions may be said to apply in lesser degree to the production of groundwood, sulphite and the finer grades of paper. If expansion is to go on at its present rate it is inevitable that new markets must be explored. Where are they to be found? How can we best meet the competition that we shall be faced with when we find them?"

The convention itself marked the tenth anniversary of the formation of the Canadian Pulp and Paper Association and credit was given the "energy and enterprise" of A. L. Dawe, the first permanent secretary of the Association, for the "'rapid and healthful growth and progress" of the organization. Mr. Beck went on to contrast the development of the ten years insofar as figures were available. In 1913 there were 64 mills in operation while the 1921 figures showed 100 mills. an increase of 56 per cent. In 1913 the consumption of pulpwood by Canadian mills was 1,109,034 cords compared with 2,180,578 in 1921, an increase of nearly 100 per cent.

Production of newsprint in 1913 amounted to 350,000 tons; in 1921 the production was 805,114 tons or 130 per cent. increase, while in 1922 it exceeded 1,090,000 tons or an increase of 300 per cent. in the ten-year period.

The total pulpwood of all kinds produced in 1913 amounted to 854,624 tons, while in 1921 it amounted to 1,544,027 tons, an increase of 80 per cent.

The first official figures from the Bureau of Statistics were begun in 1917. In that year invested capital amounted to $186,787,405 and this increased to $379,812,751 in 1921, or 117 per cent. The amount paid in wages and salaries rose from $20,000,000 to $34,000,000 or 68 per cent., and the value of the output from $96,000,000 to $151,000,000 or 56 per cent.

The total paper tonnage rose from 853,689 to 1,021,941 or 20 per cent.; and the total pulp tonnage from 1,464,154 to 1,544,027 or 5 per cent. In considering these figures it must be taken into account that 1921 was not a normal year for the industry. When the figures for 1922 are available the contrast will be found to be much more pronounced.

**From $11,000,000 to $163,000,000**

Our pulp and paper exports, which offer a better criterion for judging the growth of the industry during the ten-year period, rose in value from a total of $11,850,632 in the fiscal year ending March 31st, 1913, to $163,655,344 for the year ending March 31st, 1921, an increase of 28 per cent.

The following reference was made to the retiring president, Geo. M. McKee:

**Services of Geo. M. McKee**

The Association had the misfortune, towards the close of the year, to lose the active services of Mr. George M. McKee, who was elected president at last year's annual meeting. Mr. McKee having transferred his business interests across the border into the United States. Despite the unanimously expressed desire of the members of the Executive Council that Mr. McKee continue in office to the end of his term, he felt it incumbent upon him not to do so. During the eleven months he held office Mr. McKee was zealously active in promoting the welfare of the Association and earned the gratitude and goodwill of his associates in office as well as those of the membership at large. The regret universally entertained over his departure from our immediate midst is mitigated to some extent by the knowledge that he has merely stepped across the imaginary boundary line that divides the two countries and that, since he continues his association with the industry, we may still regard him as one of us in everything that pertains to mutual interest, friendliness and good-will.

# 1,125,000,000 LBS. SUGAR MADE IN CANADA IN 1922

## New High Record Established, Beating 1921 by 40 p.c.

**From Our Own Correspondent.**

MONTREAL. — Figures covering the manufacture of sugar in Canada as issued by the Bureau of Statistics are to hand for the full year 1922, and show a gain of well over 40 per cent. in sales for the past year over 1921. This total reached 1,125,350,293 lbs., or 562,675 tons, compared with 802,921,164 lbs., or 401,460 tons in 1921. Of these amounts exports in 1922 were 315,407,677 lbs. as against 85,908,065, or almost four times. Domestic shipments were 809.942,818 lbs. compared with 717,013,099 lbs. in 1921, a fair increase, about 13. per cent. It was therefore the heavy increase in exports that brought the total so far ahead of the previous year.

In raw sugar the figures show that heavy stocks on hand at the beginning of 1921 had all been disposed of and normal conditions prevailed last year. For instance, instead of 167,000,000 lbs. on hand there were only 14,000,000 on Jan. 1, 1922. At the end of December, 1922, the total of raws was 28,434,326 lbs. compared with a little over 6,000,000 at the end of 1921. During the past year total receipts of raws were 1,210,462,768 lbs. as against 597,253,331, the big increase being due both to increased business and to the need for deflation in large stocks during 1921.

It is significant that stocks were rapidly accumulating during the latter part of 1922. Not only were there 28,434,326 lbs. of raws on hand, as against 6,210,587 lbs. one year before, but stocks of refined sugars on hand on Dec. 30 1922, amounted to 78,955,401 as against 48,630,230 lbs., making a total of stocks on hand, raws and refined, of 107,389,727 lbs., compared with 54,640,817 at the end of 1921. This might be taken to mean shrewd buying on a rising market, but as a matter of fact the present market is a falling one, and the figures may, for the time being at least, indicate an over-stocked condition in the industry.

# SOFT DRINK TRADE PROFITABLE IN WEST

## Green River Seeks Funds from Investors to Finance New Enterprise

**From Our Own Correspondent.**

WINNIPEG.—The prospectus of Green River Limited, which is making its first public stock offering of $100,000, 8 per cent. preferred stock at par with 100 per cent. bonus of common stock on $50,000 of preferred and with a bonus of 50 per cent. common on the additional $50,000 preferred, is a cheerful document.

"Here is an investment, safe, sure and conservative, that will yield between 13 per cent. and 15 per cent., year after year, return to you your original investment within three years with a premium of 5 per cent. extra—when your common stock will have the benefit of the entire net earnings of the company."

The Green River Limited prospectus gives the definite assurance that the current stock offering is a "genuine opportunity for the shrewd investor." The company makes the further statement that "the estimated returns specified are lower than the facts really warrant—as the shrewd investor will quickly realize upon studying and analyzing the proposition thoroughly."

Green River Limited is capitalized at $150,000, eight per cent. preferred stock, redeemable at 105, at the company's option; and $350,000 common stock. At the present time it is announced the company expects to issue only $100,000 of preferred stock, together with the bonus of common stock. It is not stated how much stock is presently outstanding as constituting the original capital investment in the enterprise.

Green River Limited was organized last June by Winnipeg business men who obtained the rights for the four Western provinces for the manufacture and distribution of this soft drink. There is no disguising the fact that the past few years have witnessed a considerable stimulus to the soft drink industry and the market is now being strongly competed for in and out of Winnipeg. Of Green River's three most prominent competitors one of which has sold stock to the public, is paying its 8 per cent. preferred dividend half yearly the last instalment having been paid in September. No dividend has yet been announced for its common stock. although stock salesmen are said to have promised the commencement of a common stock in the near future.

# PREMIER TIRE HEADS HAVE HARD BATTLE

## President Taylor Believes Concern Can be Saved—Makes Many Changes

The Premier Tire Company is not meeting with the results expected in the effort to sell its bonds to the shareholders. This measure was decided upon as the one best designed to save the Company from going to the wall. However, President Taylor says that some measure of success is being achieved and he is now fairly certain that the Company will be saved. He feels, however, that a better response to the reorganization plan is due from the shareholders.

From statements made by the new heads of the Company a real effort is being made to get costs down to a rock bottom. The old regime or management went into the handling of tires along with the company's tubes. It is said that heavy losses were suffered. Mr. Taylor proposes to sell the large stock of casings on hand for cash. This will mean the taking of considerable loss, but in light of the company's pressing need for cash he considers the move good business and says that several of the leading creditors who were consulted, agreed with him. The office on Adelaide Street is being abandoned and the office force will be moved to the factory at Beamsville. Another cut has been made in the sales force and a new method of selling adopted. This involves the selling through jobbers and in large lots. The Company has a fair stock of tubes on hand and a fair supply of rubber purchased at the old price, which is about half the present price. This will give sufficient material for the plant to run on for some time when operations are resumed. There is also a proposal on foot to change the name of the Company.

### INTERPROVINCIAL BRICK

The Interprovincial Brick Co. of Canada whose securities will shortly be lifted on the Montreal Stock Exchange has begun a dividend payment on its common stock by a declaration of a quarterly dividend of 1½ per cent. payable January 31, 1923, to record of January 26.

### HOLTYREX BUYS PLANT

The Holtyrex Mining Company, operating in the area adjoining the McIntyre on the north-east, has purchased a mining plant and intends to go ahead with active mining as soon as the plant is installed. The plans call for the sinking of the shaft to the 600-ft. level. The Holtyrex carried out quite a diamond drilling campaign.


# The Lowest Life Insurance Rate

which you can obtain is based on your present age. Whatever form of policy you desire, you can never secure it more cheaply than now. Each year of advancing age brings its corresponding advance in rate, nullifying any seeming temporary advantage in deferring life insurance.

The Great-West Life issues policies with attractive privileges and profits at the lowest rates obtainable. Now at your present age, is the time to insure. Write for rates and particulars.

**THE GREAT-WEST LIFE ASSURANCE COMPANY**

**Head Office**

**Dept. "G"**

**WINNIPEG CANADA**


### NEW WESTERN AGENTS

The North American Accident Insurance Company has appointed Black and Armstrong, Winnipeg, as branch managers for Western Ontario, Manitoba, Alberta and Saskatchewan. The North American Accident is now associated with the Mutual Life and Citizens Assurance Company of Australia.


# The Only Province With More Actual Money to Spend

*Sir John Aird says:*

**"The purchasing power of the Country was less in 1922 than in 1920 in every Province EXCEPT**

# SASKATCHEWAN

Sir John Aird, General Manager of the Canadian Bank of Commerce, in his address to the 56th annual meeting of shareholders, held in Toronto on January 9th, made the statement printed above and quoted the figures shown in the panel below.

A great deal has been said as to the 1922 yield but little as to the **value** of the crop. Saskatchewan's 1922 crop was **worth in dollars and cents** almost three hundred million dollars. In all of Saskatchewan's grain growing history only one crop—in 1917—exceeded this in actual money value.

As may be seen from the accompanying table both Manitoba and Alberta reaped a better paying crop than the previous year; but unlike Saskatchewan, the money value of their 1922 crops was far below that or the average for a period of years.

## Actual Money in Farmers' Pockets

**Crop values for 3 years as quoted in the Annual Statement of the Canadian Bank of Commerce.**

| | 1922 | 1921 | 1920 |
|---|---|---|---|
| Prince Edward Island .. | $10,388,800 | $ 14,202,970 | $ 18,530,400 |
| Nova Scotia .......... | 24,236,000 | 29,556,400 | 47,846,550 |
| New Brunswick ....... | 31,657,100 | 38,325,400 | 46,357,300 |
| Quebec .... ....... | 167,599,000 | 219,154,000 | 330,251,000 |
| Ontario ..... ....... | 233,556,000 | 239,627,400 | 375,746,900 |
| Manitoba ...... ..... | 104,830,000 | 72,135,500 | 133,989,900 |
| Saskatchewan ... ..... | 299,158,000 | 215,635,000 | 271,213,000 |
| Alberta ...... ...... | 94,369,600 | 82,780,000 | 204,291,500 |
| British Columbia ...... | 18,345,000 | 20,447,000 | 27,017,500 |

Saskatchewan, this year, is the "fortunate province." Only once before in their lives have Saskatchewan farmers had as much to spend.

Saskatchewan is **the one province you cannot afford to overlook** when planning your 1923 sales campaign.

The Regina **Leader-Post**, covering central and southern Saskatchewan, is the one paper that should be marked "MUST" on your list of mediums for 1923 advertising.

Expose yourself to sales in the one territory where you can assure yourself of response, in the one province where money is plentiful.

Advertise in a paper whose readers are exceptionally fortunate, unusually prosperous.

There should be a rush for trade in a province so bountifully showered with prosperity.

Get in here first with YOUR sales push, before competition becomes too keen.

Ask the **Leader-Post** for co-operation in getting your drive started.

Make hay in Saskatchewan while the sun shines.

If the **Leader-Post** is not already on your list get in touch with your agency immediately and have it added.

The **Leader-Post** offers you, right now, the best advertising "buy" in the Dominion of Canada.

# THE Leader-Post

## Regina :: Saskatchewan

**Representatives:**

**E. J. GUY, 302 Royal Bank Building, Toronto.**

**C. A. ABRAHAM, 232 St. James St., Montreal.**

***Largest Circulation between Winnipeg and the Coast.***

# TRUST DEPOSITS NATIONAL TRUST SHOW INCREASE

## Expansion Continued and Earnings Well Maintained

Net profits of the National Trust Company for 1922 were practically unchanged as compared with the previous year. There was a decline of about $7,000 in earnings after deducting expenses but the provision for income tax was reduced by that amount. Dividends of twelve per cent. took $240,000 and the balance was increased from $121,282 to $157,880.

| | 1922 | 1921 | 1920 |
|---|---|---|---|
| Earnings . . . | $294,598 | $301,865 | $252,825 |
| Income tax . | 18,000 | 25,000 | 17,800 |
| Net profits . | $276,598 | $276,865 | $235,025 |
| Prem. on stk. | ...... | ...... | 375,000 |
| Bal. forward. | 121,282 | 84,417 | 59,623 |
| | $397,880 | $361,282 | $669,648 |
| Distribution— | | | |
| Dividends | $240,000 | $240,000 | $185,232 |
| Reserve. . | ...... | ...... | 400,000 |
| Balance . | 157,880 | 121,282 | 84,417 |
| | $397,880 | $361,282 | $669,649 |

Continued expansion of the Company's activities in the trust field is indicated by the increase in assets from $102,812,549 to $112,543,408. Of this, it is interesting to note, that $560,000 of this increase was in trust deposits. Trust funds for investment and estates accounted for the remainder. The following summary indicates the expansion in recent years:

| | Capital Account | Guaranteed Account | Estates, etc. |
|---|---|---|---|
| 1922 . | $4,341,718 | $5,941,839 | $102,259,850 |
| 1921 . | 4,298,443 | 5,113,988 | 93,400,117 |
| 1920 . | 4,277,214 | 5,387,200 | 84,726,290 |
| 1919 . | 3,300,670 | 5,975,711 | 79,665,410 |
| 1918 . | 3,238,221 | 6,897,900 | 69,955,548 |
| 1917 . | 3,197,122 | 7,717,790 | 65,807,722 |
| 1916 . | 3,174,174 | 7,371,097 | 58,651,782 |
| 1915 . | 3,140,543 | 6,986,333 | 49,205,608 |

The earnings and market record of the Company for seven years is summarized as follows:

| Year | Net Profits | % on Av. Cap. | Div. | Stock High | Stock Low |
|---|---|---|---|---|---|
| 1922 .. | $276,598 | 13.8 | 12 | 201 | 190 |
| 1921 .. | 276,865 | 13.8 | 12 | 200 | 190 |
| 1920 .. | 235,025 | 14.0 | 11 | 230 | 198 |
| 1919 .. | 247,440 | 16.4 | 10 | 205 | 200 |
| 1918 .. | 239,784 | 15.9 | 10 | ... | ... |
| 1917 .. | 226,080 | 15.0 | 10 | 212 | 207 |
| 1916 .. | 222,754 | 14.8 | 10 | 210 | 210 |

## Moving Pictures to Show Public Service

The management of the Manitoba Power Company evidently not only realizes that a public service corporation must give public service but that it is important that the public should be brought to realize this. In keeping with this idea various features of the new 17,000 h. p. hydro-electric plant at Great Falls on the Winnipeg River have been filmed to show in detail the construction of the plant, blasting operations, concrete flooring, etc., in addition to the operations of the plant in its complete state. The picture takes two and one half reels including general views of the works as they stand to day, together with the artist's conception of how they will appear when completed. This film will be shown at prominent Winnipeg theatres during the next few weeks.

## Cut "Call" Loan Rate to 6 Per Cent.

From Our Own Correspondent.

MONTREAL.—The action of nearly all the banks in announcing a reduction in the call loan rate from 6½ to 6 per cent. has been followed by a reduction by the brokerage houses of their rate to clients from 7½ to 7 per cent., leaving the usual margin of one per cent. While it is not expected that the lower cost of carrying "margins" will have much direct effect under present European conditions, all parties welcome the lower rate and under more favorable conditions it is thought the action will exercise a favorable influence in broadening trading on the local market.

## Schumacher Received Another Payment

Shareholders of the Schumacher Gold Mine will likely receive another 25 cent payment in a few days, the Hollinger having made another payment of $296,250. The shareholders have already received 35 cents and it is expected that their net return, when the payments are completed, will be around 83 cents. The Hollinger purchase price works out at a fraction under 90 cents but the cost of distributing the funds must be met before the final distribution can be made and this will slightly reduce the net return per share to the shareholders.

### NOVA SCOTIA STEEL

At the adjourned annual meeting of the Nova Scotia Steel and Coal Company, Limited, a number of changes were made in the personnel of the board. W. H. Chase, Wolfville, N. S.; Hon. Lorne C. Webster, Montreal, and R. E. Chambers, New Glasgow, N. S., resigned, and additions to the board were Major-Gen. Sir Newton Moore, M. P., London; Hon. C. P. Beaubien, Montreal; Benjamin Talbot, Middlesboro, Eng.; Roy M. Wolvin, Montreal, and Horace D. Smith, Toronto.

Of the former directors those remaining on the board are: Col. Thomas Cantler, J. Walter Allison, George S. Campbell, Hon. R. M. McGreggor, D. H. McDougall, all of Nova Scotia; Frank C. Ross, Quebec; W. D. Ross, Toronto, and Galen L. Stone, Boston. The newly elected directors are also members of the board of the British Empire Steel Corporation, of which Nova Scotia Steel is a subsidiary.

# Investors and Export Figures

## Encouraging Increases in Flour, Sugar, Tires, Farm Implements, and Automobiles Particularly—In Many Industries Export Business Still Dull.

From Our Own Correspondent.

MONTREAL.—The detailed trade returns for November contain some interesting figures for investors in the export business in various industries, particularly from the comparative standpoint.

In the case of flour the figures show more favorably than for several years past. For the eight months ending November, 1922, that is, from the beginning of the fiscal year which starts on April 1, the exports amounted to 5,078,692 barrels or over 1,300,000 ahead of last year, when the total was 4,383,395, and 1,500,000 ahead of 1920, whose total was 3,262,358. As a result of the lower prices for flour, however, the value in 1922 was only $34,000,000 against $35,000,000 in 1921 and $39,000,000 in 1920. For the month of November alone the exports were 1,214,462 barrels as compared with 855,957 in November, 1921.

### Sugar's Big Increase

Refined sugar exports show a remarkable increase. For the eight months the total is 261,226,603 lbs., compared with 85,224,748 lbs. in 1921, and a little under 65,000,000 lbs. in 1920. That the exports are keeping up is shown by the fact that in November they amounted to just under 17,000,000 lbs., as against 2,684,000 lbs. in November, 1921.

### How "Dry" We Are!

The "dry" condition in the United States is reflected in the large increase in exports of ale, beer and porter. The eight months' figures amounted to 1,109,524 gallons, as compared with 273,000 in 1921, and 693,000 in 1920, and a value of $2,132,000, as against $473,000 in 1921 and $801,000 in 1920. Sentimental interest may attach also to the big increase in the price of whiskey as indicated by export figures. The value of 240,000 gallons exported in 1922 is given as $2,143,000 while 132,000 gallons or more than half this amount was worth only $482,000 in 1921, an average for 1922 of $8.92, compared with $3.65 for 1921, an increase of 144 per cent. The United States, England, Cuba and the West Indies were the big customers.

The exports of rubber boots and shoes continue to be small. The value in 1922 was $208,000 as against $222,000 in 1921 and $862,000 in 1920.

### Tire Business Improving

Rubber tires showed a total of $2,613,408, as compared with $1,491,000 in 1921 and $6,914,000 in 1920. This indicates that the big business of 1920 has not yet returned, although there is a big improvement over 1921.

Among canned fish, lobsters show a large total of $4,638,000 as compared with $3,348,000 in 1921. Canned salmon shows a total of $2,978,000, a good deal below the previous year which was $5,288,000.

Leather boots and shoes continue to show a decline in exports, the total being only $85,340, compared with $215,000 in 1921, and $1,326,000 in 1920.

Condensed milk or otherwise preserved milk had exports far below that of the previous year, owing mainly to the high United States tariff. The total for eight months was $1,945,000, compared with $4,116,000 in 1921, and $6,207,000 in 1920.

The big order for textile products in 1920 has not been repeated. The total exports for 1922 for the eight months were $643,000, compared with $679,000 in 1921, and $2,380,000 in 1920.

The exports of woollen goods consist almost entirely in wool itself, the total for this being $1,761,000 out of a total of $1,979,000.

### Steel Goods Low

Structural steel continues very low with a total of $37,000 in 1922 against $121,000 in 1921, and $161,000 in 1920. The total of rolling mill products was $523,000 in 1922, as against $965,000 in 1921 and $6,590,000 in 1920.

Wire exports amounted to $1,127,713, as against $147,654 in 1921, and $1,751,339 in 1920.

Of locomotives the total exports were $263,000 as against $1,207,000 the year before and $1,979,000 three years ago.

### Farm Implements Better

In farm implements, machinery exports are gradually coming back, as the total for the month of November was $504,000, compared with $221,000 the previous year. For the eight months ending November, 1922, the total was $3,568,000, compared with $4,071,000 in 1921, and $7,758,000 in 1920.

The exports of machinery apart from agricultural implements were $1,526,987 for 1922, $1,890,667 for 1921, and $3,751,751 for 1920.

### Automobiles' Big Exports

Automobiles, passenger, have more than recovered; total for 1922 was $13,626,855; for 1921, $2,176,352, and $9,248,321 for 1920.

"Iron and its products" showed a total of $28,000,000 in 1922; $17,000,000 in 1921, and $55,000,000 in 1920.

Cement is up greatly in quantity, 1,276,200 barrels, against 703,596 in 1921, although the 1920 record was 2,497,502.

Paints continue small; $316,844 for 1922, and $287,004 for 1921, against $1,492,828 in 1920.

Calcium carbide, one of the Shawinigan products, is coming back; $425,144 in 1922, against $361,171 in 1921 and $624,704 in 1920.

The total for "chemical and allied products" was $8,510,172 in 1921; $5,936,771 in 1921 and $15,604,723 in 1920.

# RETROACTIVE TAX IS PROPOSED FOR STOCK DIVIDENDS

## Total Is Now Believed To Be Near the Two Billion Mark

Just as the multiplicity of stock dividends in the United States has been about exhausted, the rumor comes that Washington may impose a retroactive tax on such declarations. These distributions of accumulated surpluses are said to now total close to the $2,000,000,000 mark of par value and ranged in percentage of outstanding stock from 2 per cent. to 900 per cent., the high mark having been reached by the Atlantic Refining Co. The list covered a range of industry from safety razors to plumbing fixtures. The Standard Oil distributions, which started the declarations, are credited with $750,000,000.

Much interest has been evidenced in the declarations, but perhaps the most envious onlookers have been the tax collectors who were anticipating a new law allowing the taxation of surpluses and they saw these large companies get in ahead of them.

The U. S. Secretary of the Treasury, Mr. Mellow, refuses to get excited over the declarations and in response to prodding by those who would place a heavy tax on such declarations, he has ruled that a holder of stock, after he has received new certificates of shares, has altogether, no more than he had before and therefore so far as the holder is concerned, there is no income tax.

The New York Trust Co. thinks it unfortunate that the name "dividend," has, by usage, come to be applied to such distributions, since it inevitably results in misunderstanding and creates the belief that by a subterfuge large distributions of earnings escape taxation, although the fact is that in nearly all of these transactions what happens is merely that the equities represented by a certain number of shares are, after the so-called dividend, represented by a larger volume of shares, each having a relatively smaller value.

The New York Trust believes that the U. S. Congress will be asked to approve of a measure providing a specific tax on corporations making such declarations. The debatable point is, can the law be made retroactive?

# Post's Criticism of New Mining Ventures is Accorded Support

In November last, THE FINANCIAL POST called attention to "wild" assertions being made in a number of mining stock offerings which were being launched at that time. One of these was Holding Consolidated. Recently THE POST gave some attention to the Shining Tree Consolidated and the literature which was being sent out in regard to it, which among other things, offered to trade Consolidated stock for shares in other Shining Tree properties.

In both those efforts, THE POST is now being supported by persons directly interested. In dealing with the Shining Tree Consolidated, attention was drawn to the fact that holders of Westree shares were asked to give four shares in this property of merit for one of the Consolidated merit unknown. Now W. D. McKay, managing-director of the Westree, in a paid advertisement has come to the front with a complete disclaimer of any connection whatsoever with the Consolidated.

The statement is made that the Westree company has had no communication whatsoever from the Consolidated Co., and do not know anything about the alleged merger referred to and is not in any way connected with any of the properties mentioned. Concluding, Mr. McKay advises shareholders of his company not to make the transfer. This was the advice given by THE POST recently.

In regard to the Holding Consolidated, the support for THE POST'S effort comes from no other than Robert Holding, the owner of the claims, and who, by the way, asserts that he still maintains 75 per cent. interest in them which would mean that the Holding Consolidated Company does not own more than 25 per cent., though it may have an option on Holding's interest or a part of it. Mr. Holding says that the claims were optioned and that he had no hand in the incorporation of the company. He has endeavored, by every means possible to prevent any manipulation by which any person could be deceived. This last strong statement is accompanied by the remark that the claims in question are still under the incorporated name of the Asquith Gold Mines, and that he had no knowledge of the company mentioned above until he saw it in print.

# MORTGAGE DISCOUNT CONTROL UNCHANGED

## Shareholders Re-elected Old Directorate Thus Completely Routing the Scott Interests

The Willison-Griffin victory in the battle for control of Mortgage, Finance and Discount, over R. T. Scott, was complete. The new directorate consists of the seven old directors who stood for re-election, the eighth, L. Monahan, having retired when the number of directors was reduced. There was no excitement at the adjourned meeting when the result of the balloting was made known. Mr. Sweeney, the scrutineer for the opposition interests and who acted as their spokesman at the first meeting, presented a minority report on the balloting, but his technical objections were ruled out and the report adopted favoring the Willison management. This applied to two minor questions of adopting the minutes read at the annual meeting; on voting $17,000 to provide for the payment of officials during the year and finally on the election of the directors. The directors are Sir John Willison, Hon. F. Carrol, J. T. White, G. R. Griffin, T. J. Agar, Dr. St. Charles and A. F. Healey.

## Loan Company Wants Land Case Resumed

It is reported from Swift Current that application has been made by the Great West Permanent Loan Company of Winnipeg, which is interested, it is said, to the extent of some $200,000 advanced on mortgage, for resumption of the famous Mennonite land trial. The advances made by the Great West Company were made to form the land syndicate known as the Mennonite Sales Company. Since counsel for the Mennonites takes the ground that the syndicate broke its contract by not coming through with cash payments when due there is a legal decision to be made to clear up the whole tangle and the Great West is anxious to find out as quickly as possible as to the validity of the mortgages held.


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# Mortgage Discount & Finance, Limited

## Second Annual Report

### *Balance Sheet as at November 30, 1922*

**Assets**

| | | |
|---|---|---|
| CURRENT: | | |
| Cash on hand and at Banks | $ 29,847.02 | |
| Accrued Interest thereon | 124.45 | |
| Cash at Bank to cover Dividend | 18,417.30 | |
| | | $ 48,388.77 |
| INVESTMENTS: | | |
| First, Second and Third Mortgages Receivable | $757,459.79 | |
| Outstanding and Accrued Interest | 8,174.17 | |
| Real Estate | 3,345.79 | |
| | | 768,979.75 |
| Furniture and Fixtures | | 3,364.91 |
| DEFERRED: | | |
| Sundry Agency Agreements paid for by the issue of 60,000 fully paid up Common Shares, per contra | 600,000.00 | |
| Organization Expenses, Commissions on Sale of Stock, less premium on sale of Preferred Stock | 108,439.69 | |
| | | 708,439.69 |
| | | $1,529,173.12 |

**Liabilities**

| | | |
|---|---|---|
| CURRENT: | | |
| Due Vendors of Mortgages on completion of Sales | $ 1,758.72 | |
| Unclaimed Dividends | 96.48 | |
| Dividend No. 4, due December 1, 1922 | 18,320.82 | |
| | | $ 20,176.02 |
| DEFERRED: | | |
| Unearned Discounts, Second and Third Mortgages | $109,351.06 | |
| Provision for 1922 Income Tax, payable 1923 | 6,647.61 | |
| | | 115,998.67 |
| TO SHAREHOLDERS: | | |
| Preferred Stock, Authorized $1,000,000, Subscribed | $857,750.00 | |
| Common Stock Authorized, $1,000,000 | | |
| Issued as fully paid up per contra | 600,000.00 | |
| Subscribed | 181,020.00 | |
| | $1,638,770,00 | |
| Less unpaid | 275,630.91 | |
| | $1,363,139.09 | |
| Balance at credit of Surplus Account | 29,859.34 | |
| | | 1,392,998.43 |
| | | $1,529,173.12 |

| | | |
|---|---|---|
| Net Profit for year ending November 30th, 1922, after providing for all expenses | | $ 65,310.68 |
| Balance carried forward, November 30th, 1921 | | 3,240.28 |
| | | $ 68,550.96 |
| Appropriated as follows: | | |
| Preferred Dividend No. 3, June, 1922 | $ 13,424.22 | |
| Preferred Dividend No. 4, December, 1922 | 18,630.29 | |
| Provision for Federal Income Tax, 1922, payable April 30th, 1923 | 6,637.11 | |
| | | 38,691.62 |
| Balance carried forward | | $ 29,859.34 |

We have audited the accounts of Mortgage Discount and Finance, Limited, for the twelve months ended November 30th, 1922, and have also examined the securities and found them in order.

Discounts: The full amount of Discount on First Mortgages and Loans transacted during the year has been taken to credit of Profit and Loss Account. The Discount on Second and Third Mortgages, however, has been spread over the term of the mortgages and only that portion which was actually earned during the year ended November 30th, 1922, has been taken into Profit and Loss Account. The balance of the Discounts amounting to $109,351.06 has been carried forward.

Mortgages: Mortgages in arrears as to Principal and Interest as at November 30th, 1922, and in Solicitors' hands, represent 1.40% of the total of the Company's Investments. In another case, Final Order of Foreclosure has been obtained vesting the property in the Company's name. This property is now carried as Real Estate pending sale. Apart from these exceptions the collections of Principal and Interest have been exceedingly well followed up, and the standing of the Company's Investments in Loans and Mortgages is satisfactory.

In our opinion the Officers of your Company deserve great credit for the success of your second year's operations.

We understand your Board of Directors are in agreement with us when we state that no dividend on Common Stock should be declared until a substantial reserve has been created to offset the item of Deferred Assets shown on the Balance Sheet.

We certify that the foregoing Balance Sheet, in our opinion, shows the true position of the Company at November 30th, 1922, as shown by the books. All desired information and explanations have been furnished to us, and our requirements as Auditors of your Company complied with.

RUTHERFORD, WILLIAMSON & CO.,
Chartered Accountants.

Toronto, Ont., December 11th, 1922.

At the Annual General Meeting, the Annual Statement was adopted. Messrs. Rutherford, Williamson & Co. were re-appointed Auditors and the following Directors were elected: Sir John Willison, Hon. Frank Carrel, J. T. White, K.C., George R. Griffin, Dr. W. P. St. Charles, T. J. Agar, A. F. Healy.

At a subsequent meeting of the Board of Directors, Sir John Willison was re-elected President, Hon. Frank Carrel, 1st Vice-President, J. T. White, K.C., 2nd Vice-President and Mr. George R. Griffin, Managing Director.

# MONEY, BANKING AND EXCHANGE

## NEW QUEBEC BANK TO SUPPLY NEEDS OF FARM OWNERS

### Assistance for Implements, Seeds, Cattle, Etc., Not Fully Provided

**From Our Own Correspondent.**

MONTREAL. — The main objectives underlying the plans for the organization of "La Banque des Cultivateurs" for the Province of Quebec, were outlined to THE FINANCIAL POST by H. Lavoie, who was former general manager of La Banque Nationale, and who is organizing the new bank. It is significant of the sympathetic support that seems likely to be accorded this new banking venture by the Quebec Government, that one of those chiefly interested is the Minister of Agriculture of the province, Hon. J. E. Caron.

In his statement Mr. Lavoie points out that for a number of years past there has been a lack of sufficient accommodation for the farming community in providing for temporary requirements, such as the purchase of agricultural implements, seeds, cattle and so forth. These needs have become so acute, he points out, that pressure was brought to bear on the Quebec Government to extend farming credit, but the negative result obtained by some of the western provinces appeared to have deterred them from doing so.

**Bond Purchasers Exhausted Supplies**

Another point is raised by Mr. Lavoie which seems to be well founded, that is, that during the past few years a large portion of the savings of the farming community has been invested in bonds. The argument here is supported by financial houses who naturally have welcomed the gradual change in the investment leanings in the smaller towns and villages and farming communities in the province. The development of a desire for investment in bonds and other securities dates back chiefly to the Victory Loan campaigns, in which each year found a deeper impression made in the outlying sections of the province. Since the last Victory Loan campaign of 1919 large amounts have been distributed by financial houses throughout the province, either through direct connection or through notaries, who to a peculiar extent influence the investment activities of a large section of the community. Thus it has come about that gradually the plentiful supply of money available for mortgages or other agricultural purposes has been diverted into "security" forms of investment.

**Suggests Change in Charter**

A suggestion to remedy the scarcity of money or to provide other sources for the scarcity, is made by Mr. Lavoie in an amendment to the charter of banks, giving them power to lend on mortgages to farmers to 5% of their total loans. Taking the total amount of loans this percentage would bring $75,000,000, or limiting it to the three French-Canadian banks the amount would still be $7,500,000.

The announcement comes that the bank will establish a number of branches throughout the province and that loans for commerce and industry will be a secondary consideration to loans for agricultural purposes.

**Not "Fermier" but "Cultivateur"**

An important point as well as an interesting one in philosophy is made by Mr. Lavoie in pointing out that the new bank which has started to be termed the "Farmers Bank" of Quebec, will not be so named, and for logical reasons. The name "Fermier" which is crudely translated into English "farmer," does not mean the owner of the land, but is an expression more applicable to conditions in England of a "tenant farmer." The bank primarily is a bank intended for "cultivateurs" or the proprietors or owners of the land. In the City of Montreal the term "proprietor" is commonly used, more so than in any other province, and applies to the owner of land, the name being used in the title "Proprietors' League."

The following statement from Mr. Lavoie will be read with interest:

"You would like to know some of the reasons for the forming of this bank. The principal reason outside of a fair income for our shareholders, is that there is such a want in our province; the cultivator not having the accommodation for his temporary wants, i.e., buying agricultural implements, buying his seeds, increasing or ameliorating his cattle, for buying his fertilzators, for repairs and other necessities of his farm.

"For the last seven or eight years this want of accommodation has been more felt than ever, so much so that the Provincial Government had its attention called to it, and was called upon to establish an agricultural credit to provide for those wants. The Quebec Government, though anxious to help the farming community, knows the abuse to which generally such government organization leads, and also knows the negative results obtained in the western provinces as shown in your paper, and yet they are only in their infancy.

"In this province especially, money has been rendered scarce by the selling of bonds and debentures of all kinds by well organized companies with agents in nearly each parish. They took away the money that the cultivators used to loan freely between themselves. This scarcity is so felt that even on mortgages, money cannot readily be got. This latter part must also be considered and very soon; for the moment we don't see any other help than an amendment to the banks' charters giving them power to lend on mortgages to the farmers up to 5 per cent. of their total loans. This small percentage would not hurt commerce or industry but would be a great help. Loans are $1,500,000,000—5 per cent. is $75,000,000. In this province the three French banks show $150,000,000 of loans —5 per cent. equals $7,500,000, which would fill the shortage. Banks that would not use the power given them would surely lose the cultivators' deposits. This is a digression but is not inopportune.

"Our intention is to gradually extend through the province with branches and agencies in every county taking care especially of the cultivators' wants. Actually so far as loans are concerned the banks are taking care in first order of commerce and industry and as a second consideration, agriculture. We are going to reverse this order by taking first care of agricultural wants and as a second one, commerce and industry.

"We will have our shareholders pass a resolution forbidding the directors to open lines of credits of more than $15 to $20,000. Thus enough money will be left to attain our object and give cultivators their wants when justified."

## Simcoe Passes Civic Bank Account Around

When the council at Simcoe recently decided to transfer the current municipal bank account from the Molsons Bank to the Bank of Commerce, the decision was not the outcome of any complaint against the former which has been giving good service for many years but a development of the policy of passing banking patronage around. It is pointed out that this same principle of distributing patronage applies to the grocery and dry goods accounts of the Industrial Home, the printing accounts of both country and town, the blacksmithing, hardware, charity supplies, etc. The Molsons Bank still holds the construction overdraft and the board of education accounts. It is pointed out that there is still one local bank without a civic account but that it will doubtless receive its

## New President for Bank of Nova Scotia

Charles Archibald, Halifax, resigned his Presidency of the Bank of Nova Scotia at the annual meeting of the shareholders of that institution, and is succeeded by George S. Campbell, Halifax, formerly Vice-President. J. Walter Allison, Halifax, formerly Second Vice-President, remained in that office, and will be the only member of the board to serve in that capacity. Mr. Archibald retires to a seat on the Board of Directors.

H. A. Richardson, General Manager, in reviewing business conditions in Canada for the past year, said that activities had been directed chiefly toward bringing business back to normal and progress has been made. He did not look for any immediate activity in business, but declared that improvement was noticeable in many directions.

## EXCHANGE MARKETS

### Discount on Dollar Slightly Higher —Sterling is Firm

The premium on New York funds has been fractionally higher recently, ranging slightly above one per cent. during most of the week. Sterling has held firmly. Francs have slumped and recovered partially and lira, after a decline, have come back to the level of a week ago.

**NEW YORK FUNDS**

Jan. 18—Funds opened at 1 per cent. premium, and closed at 1 1-32.

Jan. 19—Funds opened strong at 1 1-16 premium, but moved down to 1 per cent. at the close.

Jan. 20—Opening at 1 1-32 premium funds reacted to 31-32 at the close.

Jan. 22—Funds opened at 31-32 premium and closed at 15-16.

Jan. 23—Opened at 31-32, touched a high of 63-64 and low of 15-16, closing at 31-32.

Jan. 24—Funds opened at 1 per cent. premium, touched a high of 1 1-64, closing at 1 per cent.

**STERLING, FRANCS AND LIRE**

| | Sterling Demand | Francs Demand | Lire Demand |
|---|---|---|---|
| Jan. 18 | 4.65¼ | 6.66½ | 4.76½ |
| Jan. 19 | 4.66¼ | 6.65 | 4.84 |
| Jan. 20 | 4.66⅜ | 6.66 | 4.85 |
| Jan. 22 | 4.65½ | 6.34 | 4.72 |
| Jan. 23 | 4.65⅞ | 6.49½ | 4.77 |
| Jan. 24 | 4.65⅝ | 6.47 | 4.77½ |

**d'HOCHELAGA'S NEW SECRETARY**

A new office of general secretary has been established in connection with the Banque d'Hochelaga, and Ernest Guimont, K.C., has been appointed to the position. Mr. Guimont has been head of the legal department of the bank for the past eight years. He is secretary of the General Trust of Canada and of the Saguenay Pulp and Power Co. and for some time has been a valued lecturer on banking transactions at l'Ecole des Hautes Etudes Commerciales.

## Weekly Bank Clearings

(In comparison with same week last year)

**EASTERN CITIES**

| | Jan. 18, 1923 | Change | % |
|---|---|---|---|
| Toronto | $115,110,337 + | $ 9,008,576 | 8.5 |
| Montreal | 96,011,142 — | 11,935,905 | 11.1 |
| Ottawa | 6,476,990 — | 54,487 | .8 |
| Hamilton | 5,200,595 + | 290,880 | 5.9 |
| Quebec | 5,111,601 — | 247,999 | 4.6 |
| London | 2,597,329 — | 532,247 | 17.0 |
| Halifax | 2,433,036 — | 671,916 | 21.6 |
| St. John | 2,217,514 + | 56,555 | 2.6 |
| Moncton | 953,494 + | 39,635 | 4.3 |
| Kitchener | 951,515 + | 93,997 | 10.9 |
| Sherbrooke | 661,311 + | 8,921 | 1.4 |
| Peterboro' | 613,961 — | 96,224 | 13.6 |
| Kingston | 603,005 — | 121,411 | 16.8 |
| Total East | $238,941,830 — | $ 4,161,625 | 1.7 |
| Brantford | 872,505 | .......... | |

**WESTERN CITIES**

| | Jan. 18, 1923 | Change | % |
|---|---|---|---|
| Winnipeg | $ 38,100,410 — | $ 383,930 | 1.0 |
| Vancouver | 12,613,390 + | 966,877 | 8.3 |
| Calgary | 4,733,516 — | 29,985 | .6 |
| Edmonton | 3,444,833 — | 426,857 | 11.0 |
| Regina | 3,039,501 — | 63,439 | 2.0 |
| Victoria | 2,074,281 + | 186,756 | 9.9 |
| Saskatoon | 1,300,705 — | 288,944 | 18.2 |
| Moose Jaw | 1,067,107 — | 58,962 | 5.2 |
| Fort William | 738,139 — | 262,414 | 26.2 |
| Brandon | 537,460 + | 19,669 | 3.8 |
| Lethbridge | 481,958 — | 51,506 | 9.7 |
| New Westminster | 393,267 — | 15,686 | 3.8 |
| Prince Albert | 316,002 — | 2,513 | .8 |
| Medicine Hat | 286,730 — | 83,735 | 22.6 |
| Total West | $ 69,136,299 — | $ 494,719 | .7 |
| Grand total | $308,078,129 — | $ 4,656,344 | 1.5 |
| Yr. to date | $985,518,877 — | $ 3,658,142 | .3 |

## DOMINION BANK HIGHER INCOME BUT NOT PROFIT

### Taxes Took Up Difference —Deposits Considerably Reduced

In view of the general reduction of current loans by Canadian banks during 1922 the outstanding feature of the annual statement of the Dominion Bank was an increase in this item of over $200,000, to a total of $83,912,-230. This was no doubt responsible for the fact that an increase in earnings was shown from $1,125,181 to $1,175,478. However, government taxes increased from $108,919 to $157,-795 with the result that net profits at $1,017,683 were practically unchanged.

| | 1922 | 1921 | 1920 |
|---|---|---|---|
| Profits | $1,175,478 | $1,125,181 | $1,347,011 |
| Prov. taxes | ...... | ...... | 38,500 |
| Gov. taxes | 157,795 | x 108,919 | 120,000 |
| Net | $1,017,683 | $1,016,262 | $1,188,511 |
| Bal. forward | 715,480 | 669,218 | 495,707 |
| | $1,733,163 | $1,685,480 | $1,684,218 |
| Dividends | $ 780,000 | $ 780,000 | $ 780,000 |
| Pension | 45,000 | 40,000 | 35,000 |
| Premises | 150,000 | 150,000 | 200,000 |
| Balance | 758,163 | 715,480 | 669,218 |
| | $1,733,163 | $1,685,480 | $1,684,218 |

x Dominion and Provincial Govt. Taxes.

The earnings and dividend record in recent years is summarized as follows:

| Year | Net Profits | Div. | % on Cap. | % on Invest. |
|---|---|---|---|---|
| 1922 | $1,017,683 | 12+1 | 16.9 | 7.4 |
| 1921 | 1,016,262 | 12+1 | 16.9 | 7.4 |
| 1920 | 1,188,511 | 12+1 | 16.8 | 8.7 |
| 1919 | 1,169,703 | 12+1 | 19.4 | 8.7 |
| 1918 | 1,086,498 | 12 | 18.1 | 8.1 |
| 1917 | 1,005,062 | 12 | 16.7 | 7.5 |
| 1916 | 893,502 | 12 | 14.8 | 6.7 |
| 1915 | 805,123 | 12 | 13.4 | 6.0 |

In addition to the increase in current loans, the bank increased call loans in New York by $2,625,000. Holdings of Dominion notes were reduced by over $2,000,0000, loans on government securities by $1,475,000, on public securities by $2,360,000 and call loans in Canada by $753,000.

A reduction of over $2,500,000 was shown in savings deposits, this being no doubt a reflection of the activities of new agencies in this field. The amount owing to the Dominion government was reduced by over $4,000,-000, this being a definite mark of deflation in regard to financing under the War Measures Act in which the government acted in the capacity of a bank of rediscount. Following are comparative figures:

| | 1922 | 1921 | Change |
|---|---|---|---|
| **Immediately Available Liquid Assets** | | | |
| Specie | $ 2,075,673 | $ 2,117,000 — | $ 41,327 |
| Dom. notes | 13,651,168 | 15,715,807 — | 2,064,639 |
| Note cir. dep. | 304,500 | 309,575 — | 5,075 |
| Notes, bk. | 987,087 | 1,100,881 — | 113,794 |
| Call loans ab'd. | 6,460,938 | 3,835,123 + | 2,625,815 |
| Bank bal. | 46 | 1,000 — | 954 |
| Do. ab'd | 2,344,978 | 2,397,668 — | 52,690 |
| Gov. secs. | 11,895,646 | 13,371,202 — | 1,475,556 |
| Cheques | 8,465,160 | 7,389,394 + | 1,075,766 |
| Gold res. | 1,700,000 | 1,700,000 | ...... |
| | $ 47,885,196 | $ 47,937,650 — | $ 52,454 |
| % total assets | 36.82 | 36.50 + | .32 |
| % total lia. to pub. | 41.27 | 40.86 + | .41 |
| **Other Assets** | | | |
| Pub. sec. | $ 1,808,367 | $ 4,168,630 — | $2,360,263 |
| Other sec. | 1,847,063 | 1,751,108 + | 95,955 |
| Call loans | 5,808,605 | 6,561,854 — | 753,249 |
| Current | 63,912,230 | 63,710,574 + | 201,656 |
| Elsewhere | 1,322,557 | 554,543 + | 768,014 |
| Over debts | 208,701 | 144,359 + | 64,342 |
| Lets. of cred. | 735,365 | 354,740 + | 380,625 |
| Real estate | 36,449 | 5,430 + | 31,019 |
| Mortgag's | 22,171 | 17,228 + | 4,943 |
| Premises | 6,151,886 | 5,830,229 + | 321,657 |
| Other assets | 325,774 | 299,597 + | 26,177 |
| | $ 82,179,168 | $ 83,398,292 — | $1,219,124 |
| Total assets | $130,064,364 | $131,335,942 — | $1,271,578 |
| **Liabilities to Public** | | | |
| Circulation | $ 7,571,461 | $ 7,326,571 + | $ 244,890 |
| Dem. dep. | 20,119,810 | 18,018,016 + | 2,101,794 |
| Savings | 78,234,188 | 80,786,284 — | 2,552,096 |
| Due banks | 1,214,304 | 869,285 + | 2,183,568 |
| Due else. | 3,017,247 | 833,679 + | 2,183,568 |
| Acceptances | 735,365 | 354,741 + | 380,624 |
| Bills pay. | 184,240 | 267,960 — | 83,720 |
| Due to gov. | 4,500,000 | 8,552,610 — | 4,052,610 |
| Other lia. | 488,112 | 371,060 + | 117,052 |
| | $116,064,727 | $117,380,206 — | $1,315,479 |
| **To Shareholders** | | | |
| Capital | $ 6,000,000 | $ 6,000,000 | $ ...... |
| Reserve | 7,000,000 | 7,000,000 | ...... |
| Dividends | 241,474 | 240,255 + | 1,219 |
| Balance | 758,163 | 715,481 + | 42,682 |
| | $ 13,999,637 | $ 13,955,736 + | $ 43,901 |
| Total lia. | $130,064,364 | $131,335,942 — | $1,271,578 |

## CHEQUE SHOULD BE PAID AFTER DEATH

### Important Point Comes Up In Action in the Courts at Montreal

**From Our Own Correspondent**

MONTREAL.—A peculiar point was raised in a suit to recover the amount of a cheque for $5,000. This cheque had been given to Mrs. A. Cardinal by her mother-in-law a short time before the latter's death. Mrs. Cardinal tried to cash the cheque at the bank and was told by the manager that it could not be crashed because it did not bear the account number. Mrs. Cardinal did not insist and left the bank. The defence as one of its points claimed that the bank could not pay out money on an account whose owner was dead.

The court ruled that the cheque given to Mrs. Cardinal was a gift and that it was given without condition. The court also ruled that the gift was not given in anticipation of the death of the giver, it having been passed from hand to hand before the death of the donator, who at that moment ceased to own it. The court accordingly condemned the defendant to pay the sum of $5,000, with interest from the date of the inscription of the suit, and costs.

## Bank Manager Headed Lethbridge Trade Board

An example of how a bank manager can become a leader in public affairs in the community has been provided at Lethbridge by R. J. Dinning, manager of the Bank of Montreal, who was last year president of the local board of trade which takes a wide interest in agricultural, mining and oil development, wholesale business and all other lines of industrial activity. At the annual meeting held recently Mr. Dinning said he believed the farmers were in better shape than they had been for some years, and that they were dropping the one-crop system and adopting mixed farming methods. The extension of irrigation was looked upon as a basis for future prosperity to the city and surrounding country.

## Molsons Bank to Have Big New Office Building

**From Our Own Correspondent**

MONTREAL.—One of the biggest real estate transactions in years is announced for this city in the purchase of Freeman's Hotel and other property owned by the Molson's Bank on St. James, Notre Dame and St. Peter Streets, for a 10-storey downtown office building, the whole transaction involving about $3,500,000. In connection with the building a first mortgage bond issue will be offered of $2,200,000, by S. W. Straus & Co. The building will be called the Montreal Insurance Exchange. The hotel property is owned chiefly by J. N. Greenshields, K.C. Most of this property, years ago, was occupied by the S. Carsley department store which later moved uptown to the site now occupied by Goodwins, Limited.

**ORGANIZE AT WINNIPEG**

**Series of Lectures to be Given to Bank Staffs**

At a meeting of the executive of the Winnipeg Bankers' Lecture Club the following were elected honorary patrons: John McEachern, S. L. Cork, C. W. Rowley, F. W. S. Crispo, F. H. Marsh and J. S. Turner.

The officers elected for the ensuing year were E. J. Townsend, Dominion Bank, chairman; S. E. Rae, Union Bank, vice-chairman; and C. D. Marble, Royal Bank, secretary-treasurer. The entertainment committee is composed of C. E. Gordon, Canadian Bank of Commerce; T. R. Richardson, Imperial Bank; and S. E. Rae, Union Bank. A series of lectures on banking and business topics is being arranged.

**HONOR FOR MR. BELL**

J. P. Bell, general manager of the Bank of Hamilton and the president of the Chamber of Commerce, has been nominated by the Government as a member of a Committee of Patrons to be created in Canada in connection with the proposal to send a Canadian exhibition to France.

## Canadian Bank Savings Deposits Again Increase in December

Another increase in savings deposits is shown in the statement for December of the chartered banks, continuing the favorable development in this connection, noted in the previous reports, after a series of reductions; the total at the end of the year was still over $56,000,000 short of the total at the end of the year previous. Increased earning power of wage earners and the marketing of the crop are two factors which this increase in savings evidently reflects.

A reduction of over $40,000,000 in current loans would seem to indicate smaller requirements for current business as the holiday trade progressed and found goods turning into cash. It also reflects a continuation of the process of deflation shown by a reduction of nearly $72,000,000 in gross assets during the month and $128,-000,000 during the year. Call loans abroad were reduced by nearly $19,-000,000. The following summary indicates the more important changes:

**DECEMBER BANK STATEMENT**

| | Dec. 1922 | Nov. 1922 | Change | Dec. 1921 | Change |
|---|---|---|---|---|---|
| Specie | $ 93,789,305 | $ 100,156,086 — | $ 6,366,781 | $ 78,851,283 + | $ 14,938,022 |
| Dom. notes | 182,686,820 | 156,498,644 + | 26,188,176 | 195,703,154 — | 13,016,334 |
| Can. call loans | 98,383,580 | 98,984,090 — | 600,510 | 113,071,089 — | 14,687,509 |
| Call l'ns ab'd. | 185,653,891 | 204,437,459 — | 18,783,568 | 169,859,037 + | 15,794,854 |
| Current | 1,065,226,894 | 1,105,630,178 — | 40,403,284 | 1,174,053,434 — | 108,826,540 |
| Loans ab'd | 157,657,083 | 149,244,165 + | 8,412,918 | 145,343,054 + | 12,314,029 |
| Gold reserve | 61,202,533 | 59,452,533 + | 1,750,000 | 68,452,533 — | 7,250,000 |
| Total assets | $2,618,638,104 | $2,690,434,823 — | $71,796,719 | $2,746,732,605 — | $128,094,501 |
| **LIABILITIES** | | | | | |
| Circulation | $ 176,201,851 | $ 169,626,264 + | $ 6,575,087 | $ 184,602,546 — | $ 8,401,195 |
| Dem. dep. | 537,613,056 | 544,446,720 — | 6,833,664 | 540,942,522 — | 3,329,466 |
| Savings | 1,184,703,596 | 1,167,609,065 + | 17,094,531 | 1,240,807,268 — | 56,103,672 |
| Tl. dep. in Can. | 1,722,316,652 | 1,712,055,785 + | 10,260,867 | 1,781,749,790 — | 59,433,138 |
| Foreign | 288,350,768 | 323,644,944 — | 35,294,176 | 270,721,507 + | 17,629,261 |
| Total liab. | $2,347,464,956 | $2,419,058,711 — | $71,593,755 | $2,472,350,424 — | $124,885,468 |

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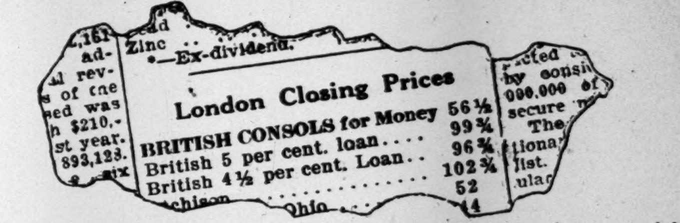


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| | 1921 | 1922 |
|---|---|---|
| Insurances issued and revived | $ 4,090,012.00 | $ 5,053,329.00 |
| Insurances in force | 18,616,461.00 | 20,127,671.00 |
| Income | 796,958.34 | 877,590.17 |
| Payments to Policy-holders | 254,283.93 | 350,051.17 |
| ASSETS | 3,357,784.67 | 3,656,246.51 |
| RESERVES | 2,936,244.00 | 3,147,434.00 |
| Average rate of interest earned | 6.09% | 6.57% |
| SURPLUS (including paid-up Capital Stock, $200,000) | 340,596.84 | 386,544.85 |

**MONTREAL**

R. L. Spencer of the Unity branch of the Bank of Montreal, has been appointed manager of the branch at Estevan, to succeed G. W. Hutchins, who has been appointed an inspector of the bank with headquarters at Winnipeg.

N. Peddell of the Eganville staff of the Bank of Montreal, has been transferred to Sherbrooke.

INVESTMENT SERVICE

## How Politics Affect Investments

POLITICS, particularly European politics, vitally affect Canadian Investments, particularly listed securities. Many investors realize this, but don't know why.

THE reasons why, we endeavor to point out in each issue of *Investment Items*, because of course, conditions fluctuate continuously.

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# NEWS AND VIEWS FOR MANAGERS

## FARMERS OF THE WEST HAVE MANY IDEAS ON BANKING

### National and Provincial Banks Are Among the Suggestions

From Our Own Correspondent

WINNIPEG.—Will the organized farmers of Western Canada at the approaching decennial revision of the Bank Act demand provision for a national bank, provincial banks under provincial government auspices, or content themselves with asking for enlargements to the Act, which may possibly ask for further encouragement of banking provision for production in all cases of natural products? Certainly there is at present no unanimity of farmer opinion on the banking problems of the country. The Brandon and Calgary conventions of the United Farmers of Manitoba and Alberta have made this entirely clear. Manitoba farmers, tutored by the Canadian Council of Agriculture, have been "debating" the national bank idea, patterned after the Australian venture. Alberta farmers, who a year or two ago, were emphatically out for nationalization of the Canadian banking system have now swung around and are manifesting a desire to experiment with a provincial bank, federally incorporated but backed by the provincial government.

"The mere creation of a state bank cannot add one farthing to the national wealth," reminds a writer in the Manitoba Free Press, in an analysis of the agrarian demand for a national bank. A state bank attracting deposits would correspondingly impair the resources of the chartered banks but would not increase the volume of loanable funds.

**A Russian Warning**

"Are not the farmers aware that the loanable capital of the country is the savings of industry, that this loanable capital is already lent by the banks, and that the one and only result of substituting a national bank would be to transfer—not to increase—banking resources; unless it is intended to make the currency irredeemable to place no limit upon its emission, and to provide the people with as much paper money as they wish for? That has been done and can be done again. It has been done recently in Russia."

According to a comparison made here of the position of the Commonwealth Bank of Australia, and the chartered banks of Canada at the close of 1921, the former had 60 per cent. of its resources locked up in government and municipal loans, compared with the latter's loans aggregating 15 per cent. in this class. The Australian national bank used only 20 per cent. of its resources in discounting mercantile paper, and that only of the highest grade, whereas Canadian chartered banks employed over 60 per cent. of their resources in loans to all industries.

The difficulties of bringing the banking discussion to a sane conclusion were made fully apparent at the Calgary convention of the United Farmers of Alberta, when, to cite an instance during the banking debate. C. H. Axelson, of Brutus, advocated the elimination of all interest on farmer loans.

It was George Bevington, now a familiar Alberta figure in banking "reform," who brought forward the idea of a provincial bank with a federal charter, which met with the convention's approval. Cora Hind, of Winnipeg, who attended the convention makes these significant observations of Mr. Bevington's presentation: "There were several expert financial men in the audience who had evidently dropped in to hear this discussion and their faces were a study as they listened to Mr. Bevington. His most extreme statements were greeted with wild applause from the audience."

This year Mr. Bevington is advocating that the Alberta provincial government designate five persons to make application at Ottawa for a federal charter, taking $250,000 to Ottawa for the necessary charter, leaving $5,000 with the federal treasury and bringing $245,000 home with them and starting issuing notes and establishing at once a banking business. "In this way," he maintains, "the province would be in a position to loan the farmers all the money they need at a rate of interest which would merely cover the cost of operation."

Questioned as to where the $250,000 was to come from when it was known that Alberta would be compelled to borrow at least $13,000,000 in the coming year, he stated that if the government had not that amount of money on hand from automobile taxes or other things it could be borrowed on an overdraft and as only $5,000 had to be left in Ottawa the men designated to secure the charter could bring the money back again.

Such a proposal as Mr. Bevington's can probably do no real harm in the ultimate, but there can be no denying that frequent impractical contributions do not further impress the business community with the seriousness which should be accorded agrarian proposals for banking relief when advanced under such auspices. R. A. Hoey's, M. P., declaration at Brandon last week that the bulk of the farmers of this country are "incorrigible individualists" can be applied no more opportunely it would seem than in the current attempts to correct the banking situation.

## Prince Albert Manager Publicly Discusses Bank Act Revision

### An Effective Address Before Local Kiwanis Club Provides an Example of How Other Managers Can Educate Public Opinion

*The point has frequently been made on this page that the important factor in the relations between the public and the banks is the branch manager. And there has never been a time when there were greater opportunities for the manager to give the public a better understanding of the Canadian Banking System than right now when all sorts of talk is being heard in connection with the forthcoming revision of the Bank Act at Ottawa. Bank managers should take every opportunity in their offices and in public gatherings to explain the working of the Canadian banking system and thus remove many of the misunderstandings and misconceptions. Recently at Prince Albert, A. J. Reynolds, manager of the Bank of Commerce, had an opportunity to address the Kiwanis Club on banking and finance. Other managers will be interested in the way he handled his subject.—J. W. T.*

During the coming session of parliament the Bank Act will come up for discussion. No system is perfect and bankers are the last to admit that our Canadian banking system is incapable of improvement. An efficient banking system is a first modern commercial necessity and over 75 per cent. of the money transactions in the world are carried on by means of bank cheques—not money—so that a bank is really a dealer in credit. The Canadian system is based upon the Old Country method of a few strong banks with a large number of branches. It is another of the splendid things we have received from Scotland—that land to whom the West owes so many of its sturdy pioneers.

**Purpose of Banks**

The primary office of a bank is to collect the savings of those that have them and by safe loaning make the savings available for the use of those who need short-term money in business enterprises. Now, banks are different from mortgage loan companies. A bank's deposited money is always on call and it must, therefore, be loaned for temporary periods—usually seasonable requirements, hence in Canada a bank is not allowed by law to loan on mortgages on real estate or to lock up money for a period of years, nor is it Canadian banking principles to loan money for any capital expenditure, as it ties up the floating moneys of a bank on long-term investments. A bank's first duty is to its depositors, and, therefore, its funds must be kept safe and liquid.

Insurance companies for instance can undertake these long term loans as their funds are different from a bank inasmuch as they are not likely to be called upon by policy holders for a term of years. It would take much longer time than I have at my disposal to go into all the details governing the formation and laws covering the Canadian banks' operations, but in view of the amount of criticism our system has been receiving recently, I will have to content myself with one or two remarks along these lines.

**Western Criticism**

The chief criticism of the Canadian banking system seems to come from the farmer population of the West, but in the light of several years practical experience in dealing with western farmers in their banking needs I cannot see where the grounds are for their complaints. I do not think any other pioneering country in the world has been supplied with such efficient banking system and such a low rate of interest, the Canadian West has enjoyed. A small town on the prairie by our banking system is in, access to unlimited banking credit and capital, the same as a city. It is a well known fact that the loans in the Canadian West by the banks are much higher than the deposits, and were it not for the branch banking system with which the Canadian bank has been able to transfer its surplus funds from Eastern Canada to Western Canada just for this purpose, these smaller centres in the Canadian West would have looked a long time for capital for development. In fact it is my opinion that the trouble in the West has not been lack of credit but too much credit. It might be possible that in the light of recent events farmers' loans in the West will have to be on longer terms and lower rates, but this can be accomplished as a special matter by some agency along the lines of the Soldiers' Settlement Board plans. It is not necessary to alter our banking system to do it. One must be very careful too, of over paternalism in this matter and that we do not set up a class privilege to the detriment of other Canadian industries. As a matter of fact to-day there are many long term loans being carried by the banks in Western Canada. In fact I have quite a few myself—every banker has them, and while we try to avoid them, circumstances are sometimes too much for us. It must be also remembered that too loose crediting ends in disaster and living costs and credit are so closely allied that over-free credit means higher prices.

**Attacked as Capitalistic Concerns**

The banks have also been attacked as being capitalistic concerns and anything of this nature finds a ready reception by the demagogue, yet if the matter is looked into it will be found that Canadian banking stock, as a rule, is very widely distributed and often forms a source of income for estates of people left dependent, such as widows and orphans. For instance, in the bank I represent there are 7,095 shareholders and of the capital stock of $15,000,000 over $6,000,000 is held by people outside of Canada who are putting the wealth into a Canadian institution for the development of Canadian commerce.

**Profits**

One hears also criticism about the large profits of the Canadian banks, but when sifted down the basis for it is rather lacking. The average profit made by the banks in Canada on their "Capital" the "Rest" is about 9 per cent. It must also be remembered that "Rest" is just "Capital" put into the business as additional security and that about 60 per cent. of a bank's "Rest" is not profits but premiums on stock. That is not a very enormous profit. It pays the shareholder 6 to 7 per cent. on his share which bears the handicap of double liability.

**General Conditions**

I would point out here that the depression in agricultural is a general one the world over, Canada is probably in better shape in this regard than any country and I maintain that our banking system is largely responsible for this comparative prosperity—under any other system our plight might be worse. The farmer in the United States has his troubles and even in co-operative Australia agrarian troubles are numerous not to speak of other countries where there is untold and actual starvation and want.

**Merchant's Bank**

The recent Merchant's Bank failure has caused some criticism chiefly from those not hurt at all. But the mere fact that a strong bank like this could fail and be absorbed without even a ripple of panic or a dollar's loss to depositors or note holders is, in my opinion, the strongest argument in favor of the Canadian banking system—where else in the world would such a thing, at such a time, cause so little furore? The public never knew it until it was all over.

A privilege of the Canadian banks that we hear a lot of attacks made upon is that of note issue wherein banks may issue their notes to the amount of their paid up capital. However, the bank notes thus issued

(Continued on page 13)

## BANK FAILURE ARGUMENT FOR BRANCH SYSTEM

### Lesson of Universal Securities Not Being Lost In West

From Our Own Correspondent

WINNIPEG.—The closing of the Universal Securities Corporation, which had offices at Outlook and Glenside, Sask., is regarded as a strong argument for the branch bank system. The failure is not a large one (liabilities roughly estimated at $140,000) nor is it probable that it will involve many persons in financial ruin, although it may occasion some distress, but clearly it can be accepted as a pertinent object lesson when the West is visibly disturbed by an almost continuous banking debate.

"There has been much talk of extending credits to the agricultural community," points out the Manitoba Free Press, adding: "The Universal Securities Corporation tried it—with disastrous results to themselves, and there is very little doubt that under existing conditions a similar fate would overwhelm the great majority of similar institutions should they try it."

The Universal Securities Corporation was virtually a private bank, and apart from the capital investment dependent upon the local depositors to whom it paid 6 per cent. It is reported that when the Corporation closed its doors its assets were greater than its liabilities, but because these assets were not sufficiently liquid the company failed to meet its current obligations.

Approximately 300 depositors are affected, and presumably the situation in the Outlook and Glenside districts is made increasingly difficult for many more individuals. The reaction from the episode should tend to a healthier outlook regarding the practices of our banking system. Very apropos is the analysis of the branch bank system made for the Manitoba Free Press, which says in part as follows:

"The principal argument employed in support of unit or local banks is that they better serve their community, have deeper sympathy with its aspirations, fuller knowledge of its wants, and especially that the local bank lends in its locality all the deposits they derived. Fact controverts the essentials of this argument. There is more money loaned by Canadian banks in the three prairie provinces than the amount of the local deposits. That statement is made upon authority. It can be established by the figures and will, if required, be proved before the Banking and Commerce Committee of Parliament, when the Bank Act is under revision. What, then, is the inference? Clearly that if unit or local banks supplanted in the Western provinces the present chartered banks there would be a contraction of loans. The loaning resources of banks are derived from deposits, not from shareholders' capital, which is used for reserve purposes, and a system that enables the surplus deposits of one part of Canada to be loaned in another obviously gives advantages to the latter community which merely local banks are incapable of extending.

"The branch bank system does more than permit of the transfer of money from where it is not required to where it is needed. That system becomes a reservoir for all the loanable capital of the country, and by the facility of transfer tends to equalize under like conditions the rates of interest. That system permits of the extension of banking facilities to hundreds of places where capital is too meagre to permit of the establishment of a local bank.

"The branch bank system has so many obvious merits, that at all hazards it should be preserved."

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## ORGANIZE AT PETERBOROUH

At an enthusiastic meeting of the bankers of Peterborough an institute for the purpose of holding educational lectures on banking subjects for the winter months was formed and the following officers elected: president, W. T. Fortye, vice-president, B. D. Henry, secretary-treasurer, W. H. Walkey.

The institute was launched by a large dance, at which each member had an opportunity of meeting and knowing other members. The first lecture is to be given on January 24th by G. N. Gordon, K. C., M. P., deputy speaker of the House of Commons. The local managers are entering heartily into the idea.

At the annual meeting of the Toronto Clearing House last week D. A. Cameron of the Bank of Commerce, was appointed chairman, and J. Stewart Sheaf of the Bank of Toronto, secretary.

# THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.


TORONTO, JANUARY 26, 1923

## MEN, MONEY AND MANAGEMENT

IN a recent address before thousands of railway employees, President C. H. Markham, of the Illinois Central Railroad, broke away from the stereotype phrase of "capital and labor" and referred to this phase of the industrial world as "Men and money partners in the transportation business." This is a great improvement over the usual form of expression and helps us to do some clear thinking on this subject.

Wage earners and the money invested in any enterprise are, indeed, partners in that business, but, as Commercial West points out, there is a third element which is necessary to insure success and that is, management. Lack of wise management means failure, even though plenty of money be available and workers most efficient. The manager may come from the so-called capitalist class, or he may work up from the ranks of the wage earner, and the latter course is much more common than the other. The manager, strictly speaking, is neither laborer nor capitalist. His strength is neither in his hands nor in his bank roll, but rather in his mental efficiency.

## BRITISH MERGERS FOR EFFICIENCY

AS ONE of the results of experience gained in the war a new grouping system of British railroads has been put into effect this month which forms four railroad groups out of 120 competing and overlapping railroad companies that previously existed.

Reduced operating charges, inprovement of train service, introduction of standardized rolling stock, abolition of over 1,000 railroad directorships are among the consequences of these consolidations that will make for economy and increase the wage paying and dividend earning capacity of the lines.

These new railroad groups are enabled by economic circumstances, for which they can claim neither credit nor responsibility, to make an excellent start by beginning their existence with decreased prices of transport both for freight and passengers.

What Britain has effected in the grouping of her railroads is precisely what must come in America and come speedily. "Otherwise," argues the New York Herald, "we shall have Government ownership and Government operation of railroads. The consolidation of American railroads into not over half a dozen groups, and preferably fewer than half a dozen groups, is the only thing that can avert Government ownership and Government operation of our railroads.

"And what is true of our railroads is true of our coal mines. Unless we have consolidation of American coal mines into a few groups there can be no escape from Government ownership and Government operation.

"Let us have immediate action on both our railroads and our coal mines."

## EVEN THE GLOBE BEGINS TO SEE IT

ONE OF THE cold realities of public ownership, that there is a constant danger of paying too much for your whistle, is seldom considered by enthusiastic supporters of the theory. They argue that as there are no profits, service is at cost and so the public must benefit. They never consider that when service is rendered at a loss, as it very often is under the loose methods of public ownership control, that loss must be paid by the public either in increased cost of service or through taxes.

When we point out then that even the Toronto Globe, in a dawning realization of this fundamental business principle, is becoming alarmed at the expenditures of the Toronto Transportation Commission on the city's street railway, it will be appreciated that THE FINANCIAL POST was quite justified in calling attention to this situation months ago. The Globe expresses alarm at the expenditure of another couple of millions on car barns and continues:

> Already sums totalling almost twenty-five millions have been spent on reconstruction. The arbitrators who will determine the value of the system when taken over in September, 1921, have not yet given their award, but it is not likely to be less than ten million dollars. The city's share of the cost of arbitration will be little short of a million. The civic car lines, built before 1921 and now incorporated in the Transportation Commissions system, cost two and and three-quarter millions, and interest and sinking fund on them must now be met from street car fares. The total expenditure on which interest must be paid will be over forty millions when payment is made for the old Toronto Railway and the shops now contracted for are completed.
>
> In the civic estimates of 1922 the amount required for interest and sinking fund charges on the then street railway capital investment of $29,481,000 was $1,835,000. On forty millions it will be, roughly, two and a half million dollars a year. The annual interest charges of the Toronto Railway Company before the stock ceased to pay dividends were slightly under twelve hundred thousand dollars. The capital charges of the reconstructed road will be more than double those of the Toronto Railway.

The cost of the service de luxe which is being provided for Toronto citizens by the Transportation Commission, by lavish expenditures, must be paid in fares or in taxes. The commission has a good record for physical accomplishment, but there has evidently been no restraint on expenditure and the cost cannot be regarded by property owners with other feelings than those of apprehension.

## BACK SALESMEN WITH ADVERTISING

SO MANY different kinds of commercial suggestions are being discovered and advocated that one notes with approval the opinions expressed, in a recent conversation, by a man long familiar with all aspects of salesmanship and thus eminently fitted to speak authoritatively. He emphasizes the necessity of intensive selling methods in preference to any "patent" remedy for stimulating business.

This phrase, "intensive selling methods," means in exporting just what it means in domestic business, says the United States Department of Commerce. It means sending out a sufficient number of salesmen to cover the territory adequately, selecting those salesmen on the basis of ability, training them in the knowledge of their line, and then backing them up with forceful advertising and related publicity. Occasionally "short cuts" and new methods will move stocks, but in general it is the house that employs the best-trained salesmen and does the most convincing advertising that secures the most business.

An attempt to find easy substitutes for the basic business qualities is likely to lead to disaster rather than success.

## BRITISH UNEMPLOYED FOR CANADA

IT IS AN encouraging sign that, in so many speeches by British Ministers, the question of migration has been sympathetically discussed. Sir Montague Barlow, Minister of Labor, clearly sees that migration can help to relieve unemployment, and in a recent speech he suggested that migration should be encouraged on "co-operative or associational lines." Would it not be possible, he asked, "for great towns to see to it that they had in the undeveloped Dominions village communities which represented them?" It would be possible, no doubt, to have a Lambeth or Highgate settlement in Saskatchewan, or a Manchester or Leeds community in Alberta, drawing men and money from these localities. This would supply the personal touch—the sustained interest which is so vitally important in the early years of a new settlement.

This brings us back to the fundamental necessity of making empire migration attractive — says "Canada." For this co-operation between the Dominion and Home Governments is absolutely essential. Once this is achieved, the way is prepared, and the Immigration Departments of the Dominion Governments, and "all the various associations interested in migration, will find plenty of excellent material ready to their hands. No one will be persuaded to migrate merely to relieve the rates and taxes from the burden of his support; but he will cheerfully migrate if he (or she) is convinced that it is to his (or her) personal advantage—therefore, it must be made attractive."

## SIR ADAM CONDEMNS GOVERNMENT OWNERSHIP

IN HIS so-called "Refutation" of the report on the Ontario Hydro-electric, of Murray and Flood to the National Electric Light Association, Sir Adam Beck objects to the Hydro being identified with the "stigma of government ownership," admitting that "government ownership not infrequently carries a concomitant political domination in the appointment of employees, in the purchase of supplies and equipment and in the various other more or less hidden ramifications which inevitably tend toward inefficiency and mismanagement." Sir Adam replaces "government ownership" with "co-operative municipal ownership" and thinks that with a simple stroke of the pen he has thus removed the evils which he admits exist under the former name.

In a further report on the Hydro activities to the National Electric Light Association, Murray and Flood emphasise that it is important that the chairman of the Hydro-electric Power Commission admits that public ownership carries concomitant political domination because "this is exactly what we have found in the Hydro regime. . . . . All the earmarks are present politically and otherwise, and finally, there is revealed the usual high construction costs and operating results." The fact that "when construction costs were low the development in Quebec was at a much higher rate than in Ontario, but when construction costs were high, Ontario proceeded with construction at a high rate, regardless of cost," is brought out.

Sir Adam's acknowledgement of the weaknesses of government ownership are far more convincing than his effort to show that these weaknesses have been overcome under "co-operative municipal ownership."

## EDITORIAL NOTES

THAT NOT A man in the province of Ontario has been more slandered and maligned than Sir Adam Beck and not a man has done more for the province, was the declaration G. N. Gordon, M. P., made at Peterboro. Is it not passing strange that in a community of high intelligence like Ontario, the man who has done the most good should be the most slandered?

* * * *

THE VIGILANCE COMMITTEE of the Associated Advertising Clubs of the World reports that promoters of fraudulent oil stocks swindled the public of more than $600,000,000 last year. Barred from legitimate publications, many of them now publish their own newspapers. Sound education in investment matters and reasonable precautions in securing information from proper sources, would save a large portion of this huge sum to the public.

* * * *

LARGE savings in cost of transporting grain to terminal markets would be effected if farmers and country elevators would ship only clean wheat to market, in the opinion of Robert H. Black, in charge of grain cleaning investigations for the United States Department of Agriculture. It has been estimated that the dockage bill of the farmers of Western Canada will be about $5,000,000 this year.

* * * *

THAT WHETHER an electric railway is operated by a municipality or by corporation, it has a service to the public to perform, is recognized by the Electric Railway Association of the United States which sees in the motor bus a competitor which must be recognized. If the electric railways object to competitors it is urged that they must be prepared to furnish transportation to sections in their territory which have sufficient population to warrant such service; if they are not willing to build a trolley line for this traffic they should, themselves, install a bus line.

* * * *

IN CONNECTION with the statement that "they tell me you are going in the hole," credited to Senator James Couzens of Detroit by the Toronto Star in an interview discussing public ownership and quoted in THE FINANCIAL POST, the senator writes from Washington that he was referring in particular to the Toronto Street Railways and was repeating what had been told to him. He explains that from the statements made to him regarding the capital expenditures on the Toronto transportation system, he thinks that an unwise course may have been followed in that connection, but continues that not being in possession of first hand facts he was not in a position to pass judgment.

# Canada Will Have to Reckon With German Competition

### Belgium, France and Italy Making Rapid Recovery—Germany's Low Wages and Profits Will Make Her Formidable Rival for Their Trade

By James Mavor

While the political barometer cannot be regarded as indicating "set fair," it is a relief to turn from discussions of European policies and from the reports of unavailing conferences to the details of the commerce of the various European countries. The statistics of trade both foreign and domestic of nearly all of these countries and the surveys of their economical condition by competent persons reveal an optimism which is as surprising as should it be well grounded it is gratifying. In almost all countries the budgets seem to be gradually approaching equation between the debit and credit side. In most of them the social conditions are steadily improving. In most of them the impossibility of reducing the hours and activities of labor and at the same time increasing the well being of society has become apparent. In most of them workers and organizers of labor have set themselves to work, rather than to spend time discussing their grievances. The net result is very obvious progress towards the rehabilitation of industry and commerce.

A few only of the encouraging signs may be given by way of example. It is obvious that under modern conditions a country in which industry and commerce is declining exercises an injurious influence far beyond its own borders and conversely that a country in which industry and commerce are expanding exercises a wide and beneficent influence. If it is foolish to estimate the worth of a people exclusively in terms of their trade, it is still more foolish to regard the material means by which the people live as negligible matters.

**Belgium Makes Wonderful Recovery**

The country which in one sense suffered most in the war was Belgium. For more than four years its soil was in the hands of an invader, its normal industrial life was suspended, its mines and its factories were destroyed either during the German advance and occupation or during the retiral of the Germans when they reduced them to powder by remorseless havoc. Coal mining is one of the most important industries in Belgium. Before the war the Belgian mines enjoyed the reputation of being among the best if not the best equipped mines in the world. The Belgian coal fields were understood to be exploited on the most scientific principles. In 1913 these mines produced a monthly average of 1,903,460 tons. In 1921 they produced a monthly average of 1,815,564 tons, a figure almost reaching the pre-war point. The complete returns for 1922 are not yet available, but they will probably be not less than those of 1921, although the competition of German reparations coal has somewhat affected the demand. The important point is that the Belgian mines have practically regained their productivity. When it is considered that the mines were flooded, that the machinery had to be re-installed and that channels of trade had to be reopened, this result is not a little remarkable.

In 1913, there were 54 blast furnaces in operation in Belgium. In 1921, 14 of these were once more in operation and in 1922, 29. Additions to this number may be expected in the immediate future because there is an increasing demand for their product. The production of finished steel in 1913 was 154,922 tons. In 1921 this production was 69,342 tons and in 1922, 127,110 tons, approaching gradually the pre-war average monthly production.

In the cotton industry 1,492,258 spindles were working in 1914 on the outbreak of war. In 1922 (first half of the year only) 1,318,872 spindles were working. This represents nearly 90 per cent. of pre-war activity. The manufacture of mirrors is an important Belgian industry. This is now working to 75 per cent. of its pre-war activity.

The number of registered unemployed in Belgium is only 4.1 per cent. of the total of workers registered—a normal figure. Shipping at the port of Antwerp is an indication rather of German industrial activity than of Belgium exclusively. This shows an increase over 1921 of over 20 per cent. A Belgian loan of 150 million dollars at 5% was recently entirely subscribed on the opening day.

**France in Good Position**

France also has decidedly improved her economical position. French foreign trade is on the whole greater than it was before the war, notwithstanding the effect on the wine trade of widespread prohibition and compulsory economy. The imports are about 150 per cent. of pre-war imports and the exports 120 per cent. of pre-war exports. The eight-hour day has seriously compromised French shipping but the government has now exempted shipping from the operation of the eight-hour law in spite of the opposition of the seamen. A similar relaxation of eight-hour law on the French railways has enabled the railway companies to reduce their tariffs which were clearly throttling some of the industries, notably the metallurgical enterprises.

The effect of the payment of reparations in kind has yet to be seen, especially since the continuance of these is somewhat in doubt. Taxes are being more satisfactorily collected and the deficit in the budget has been reduced to a manageable amount.

**Italy Records Improvement**

Even before the advent of Mussolini the economical situation in Italy was improving. The number of unemployed which in the spring of 1922 reached half a million had been cut nearly in half by the autumn. Resistance to reduction of wages was gradually disappearing. In 1922 imports declined by about 16% and exports increased by about 10%, thus diminishing the adverse trade balance and improving the exchange. In November and December the foreign exchange reacted sharply in favor of Italy. The cost of living as measured in depreciated lira is showing a tendency to rise.

The most important Italian problem at present is the problem of the railways. Forty years ago the Italians encountered a similar situation. The railways were almost all in the hands of the government. They were overstaffed, managed on the principle or absence of principle of political patronage and continuous deficits were the inevitable consequence. Then the government resolved upon drastic action. A commission was appointed. It made a thorough investigation—perhaps the most thorough which ever was made into any railway system—and recommended that the state railways should be leased to a joint stock company for a period of years on condition that instead of being a loss to the national treasury the railways should be a source of profit, an annual payment being made by the company. A company was formed. It managed the railways successfully and the national treasury benefitted so that the lira which had for many years been depreciated through over issues of paper money gradually came to par. When the period of lease expired the State resumed possession of the railways.

At that time the railways met not only operating expenses but yielded a substantial return to the capital invested. Soon the virus of public ownership altered that condition and before the war the railways had fallen back into the sloughs of chronic deficits. The war and its consequences aggravated the evil and now Italy is face to face with a greatly intensified railway problem.

**Mussolini's Policy**

Mussolini has announced his policy. This implies reversion to the plan of 1881. He intends to lease the State railways once more to a corporation. This imperatively necessary step must react favorably upon Italian finance.

In December Mussolini delivered an effective speech to workingmen at Milan, the industrial capital of Italy. He told them plainly that his government was not an anti-proletarian government but that he did not rely upon proletarian support. He told them that he was the son of a blacksmith and that he had been a workingman. For that reason he could not be suspected of hostility to working men; but he warned them that they must not be led astray by foolish ideals which could only lead them to ruin. He said that the workers were as much interested in production as the capitalists and if the capitalist loses or fails, the workingman must lose and fail. If national production cannot meet the conditions of the world's markets, the whole industrial structure must crumble. His speech was a candid and clear exposition. Mussolini knew very well what he was talking about and knew the arguments which would appeal to his hearers, for he had himself been a social democrat and had eventually seen to what depths social democracy was dragging Italy. Mussolini concluded by declaring without reserve that factious opposition by the working people to what he considered a neecessary policy for the good of the nation as a whole would be put down remorselessly.

A correspondent of the writer, who witnessed many of the events of the recent Fascisti revolution, informs him that there can be no doubt that the people of Italy in general are behind Mussolini and that his government is undeniably strong.

**German Situation Doubtful**

The situation in Germany at the present moment is difficult to summarize. France seems to have started another campaign. Whether the Germans comfine themselves to passive resistance or engage in active hostilities, the substantial fact is that France and Germany are again at war. Neither country has exhibited in the past any great staying power. France was easily defeated by Germany in 1870-71, and Germany was easily defeated by Napoleon I. At the present time the majority of the people of both countries are sick of war and its consequences; yet in Germany the action of France has stimulated the monarchists, who hope to gain by evidences of the intent of France, to crush the German republic, while in France the chauvinists of all parties are pressing the government towards measures for the annihilation of Germany.

It should be pointed out that up till now the Reparations question is in a state of confusion not creditable to the officials concerned. A report of the World Peace Foundation, just issued, says, "No living person knows either what Germany has paid or the allies have received." Undoubtedly this is true. The Germans state indefinitely one amount and the allied officials state another. Behind both of these statements is the fact that German payments are continuously going on in various parts of the world and many of these payments are placed to "suspense account" until the policy with regard to them is settled. If the main question at issue, viz: that between the French "sinistres" or persons who have suffered injury in the devastated areas, and the Germans, was settled, the whole economic problem in Europe might assume a new phase. The various categories of bonds into which the Reparations are divided, would come to be of value, even if small value. They would then be bought up by Germans and in this way the Reparations amount would be discounted. Knowledge of this fact has undoubtedly much to do with the French attitude.

**German Competition Coming**

Meanwhile the shipyards of Hamburg and Stettin are working overtime. German liners will shortly reappear in any port to which they may be admitted. Ocean freights must tumble downwards so soon as German competition is felt. Measured in gold prices, German wages and German profits are so low that German goods must sweep the neutral markets. Unfortunately the chief sufferer in these developments must be Great Britain. France is so self contained a country that she cares little for foreign trade and she is clearly indifferent to the reactions upon her allies in the war.

The effect upon Canada of these movements is not easy to analyze. Increased protective tariffs may save her industries from German competition, but anything which tends to diminish the consuming power of Great Britain diminishes the market for Canadian wheat as well as for many other Canadian products.

**Great Britain Heavily Handicapped**

Probably for a time the United States can afford to stand aloof from Europe, but to do so means absence of industrial expansion. Already many factories in the United States are idle. The decline in purchasing power of Great Britain has already affected the United States seriously and further decline must ensue unless the consuming power of Great Britain returns to something like normal condition.

A large part of Great Britain's financial effort during the peace has been made at the expense of capital. Her people are taxed to the limit of endurance.

The nation that made the most gigantic efforts in the war, that stiffened all her allies, that kept up the spirit of resistance to Germany when France and Italy would have laid down their arms, has a million unemployed, while Germany, France and Italy altogether have barely one-third of that number.

If the moral collapse of Germany was the tragedy of the war, the material injury to Great Britain is the tragedy of the peace.

## CANADA LIFE'S YOUTHFULNESS

The Canada Life may be seventy-five and may have a ninety-seven year old director, but they are both youthful and frolicsome in their current lives. E. R. Wood, one of the directors, when he is not engaged in buying big bond issues, devotes most of his time to witty exposures of the weaknesses of his many friends, who find it very difficult to retaliate; but his venerable co-director, Adam Brown, got one on him that has kept him quiet during several weeks' board meetings. They say Mr. Wood has consumed more hair restorer than any man in Canada and has less hair than most men. On a recent occasion the Hamilton train was late and Mr. Brown arrived after the board had gathered about the table. As is his wont Mr. Brown came bustling down the room to his seat. As he passed Mr. Wood he tapped him on his head and said "How is our little curly-haired boy to-day?"

Even the president, H. C. Cox, is becoming more and more in appearance like his great father, got off a very good one at the anniversary dinner at the expense of ten knights who sat with him at the head table by skilfully leading up to the thought that the melodramic "Ten Nights in the Barroom" had nothing on the seriocomic ten knights who upheld him on that occasion. The company gave each guest a life policy which gave them many humorous privileges, some of a liquid variety, including the option of living in the Province of Quebec.

## PERSONAL

GEORGE HENDERSON, who has been chosen president of the Canadian Paint, Oil and Varnish Association, has for a number of years taken a prominent part in the paint industry in Canada. He is president and general manager of Brandram-Henderson, Ltd., president of the Alberta Linseed Oil Co., and president of the Pacific White Lead Co. Since the beginning of the movement he has been chairman of the Save the Surface Campaign Committee, which was organized by the Association in 1919 and which has played a very successful part in connection with advertising and general publicity. Mr. Henderson is also Canadian vice-president of the National Paint, Oil and Varnish Association of the United States, to which office he was elected for the second time at the last annual convention.

## TAKE PROFITS IN 1923

In justification of having mentioned more than one speculative share that has not succeeded in putting shekels into our pockets, I record the fact that running a column of financial gossip is not a bed of roses. Between public, editors, and others one often feels like throwing up the sponge. However, a happy disposition has kept me going. As I said a year ago, don't speculate beyond your means, differentiate between gambling and investment, and be content with smallish profits when you do speculate.—Midas in London Financial News.

## INVESTMENT STOCKTAKING TIME

Practically no investment problem is ever solved to stay solved. Conditions are constantly changing. The investments which suited conditions exactly at one time may be quite or entirely unsuited at a later date. Some securities may have had substantial advances and make it worth the investor's while to exchange them for other securities which may be temporarily low in price and give correspondingly high yields. Then, too, early maturing securities may oftentimes be exchanged to good advantage.

Do a little stocktaking. See that all securities are properly recorded; see that the securities held are completely satisfactory and see that the desirability of exchanges for higher yielding securities and securities of longer term are not overlooked. Idle or available funds should be promptly put to work.

We invite inquiries on all investment problems. Copy of January Investment List sent on request.

**A. E. AMES & CO.**

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# INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

### LORRAIN CONSOLIDATED

Reader, Ontario—Would like information on the Lorrain Consolidated Mines quoted on Standard Exchange at 5c per share.

Lorrain Consolidated stock is controlled by Mark Harris. The property is now idle. Last summer it was stated that Harris was going to make a market for the stock, but this did not materialize. On such a move would depend any profits. The stock is offered at 5c., no bid.

### WHALEN BONDS

Reader, Caledonia—Would like your opinion of the 7 per cent. bonds of the Whalen Pulp & Paper Company.

You state you paid 82 for Whalen 7 per cent. bonds. There are two Whalen bond issues on the market, the 6 per cent. bonds now quoted around 84 and the 7 per cent. debentures quoted about 62½. Are you not confusing the two? The bonds you bought were probably the 6 per cent. issue and if you paid 82 you got them at a reasonable price. Their prospects we would consider quite satisfactory. The company has had difficulty in marketing its goods profitably owing to high costs, but the future looks bright.

### DURANT MOTORS

J.G.M., Ontario.—Information on the Durant Motors, Toronto, would be appreciated. Recent issue put on market at $15 per share.

Durant Motors sale of stocks was closed on January 15 and the company states no further shares are available to the public. The company is evidently getting into substantial production in Canada and the shares may have excellent possibilities. They are convertible at $30, that is, two of these shares for $30 worth of stocks of the Durant Co., that is incorporated under Delaware laws. The stocks of the latter company sells around $70 in New York, which at first glance makes the Canadian shares mighty attractive. But we do not know how soundly this high quotation is based. The market price may be vastly different. The stock however is a fair speculation.

### KING EDWARD HOTEL

P. S., Toronto.—I am offered 2nd mortgage bonds of the King Edward Hotel Company, bearing 7 per cent. at 90 or better. There are about $700,000 of these bonds outstanding and they are subject to 1st mortgage bonds of $800,000 bearing 5 per cent. Please say if you consider the 2nd mortgage issue a good investment for an elderly man retired or do you place it in the speculative class?

King Edward Hotel second mortgage bonds while attractive as a business man's investment are, perhaps, too speculative for you to purchase. As a man who has retired, you can afford to purchase only the safest of securities; in this one there is an element of risk that you should avoid. The hotel has done very well during the past few years but in a time of serious depression the position of the second mortgage issue might conceivably be prejudiced.

### NO TAX ON BANK TRANSFERS

Subscriber, Toronto.—I am desirous of transferring a sum of money from one bank to another. If I do this by cheque the war tax will have to be paid. Is there any method by which a transfer can be made without paying the tax?

It has been ruled that funds may be transferred from one Canadian bank to another in Canada without war tax. It would be in order, therefore, for you to transfer from your account in one bank to an account in another bank your balance without paying war tax providing the transfer is not made by cheque. The usual method adopted in this connection is to write the bank from which you wish to make the withdrawal and request them to make the transfer.

### BANKING SERVICE

Reader, Walkerton—Would like your opinion of the Banking Service Corporation, Kitchener.

Banking Service Corporation is not selling its own stocks, we understand, but is financing a series of local finance companies in Kitchener, Sarnia, Hamilton, Toronto, Montreal, London and Brantford. These companies discount second mortgages and land contracts, which has proven a very profitable business though one attended with some risk. Objection may be taken to the securities as investments chiefly on the ground that the price asked is higher than is warranted. The investor pays over par for the preferred and gets common shares as a bonus (or pays par for the preferred and something additional for the common, whichever way you prefer to look at it). This means that dividends will have to be earned and paid on the common stocks before a fair return accrues to the investor.

### NORTHERN LIFE ASSURANCE

Reader, Ottawa.—I have $5,000 in Northern Life Assurance stock for which I have received an offer of $40 per share. I bought the stock at par. What do you think of this offer, and is there any likelihood of the dividend being resumed within a reasonable time?

It is a rather difficult matter to definitely state the market for Northern Life Assurance Company. Recently a few shares changed hands at 45 and this was regarded as a sacrifice. However, in a forced sale to realize immediately you might have to take as low as 40. But in that event we would advise you to first communicate with the officials of the company and with some of the dealers in unlisted securities.

The company's position has been improving and the prospect for resuming dividends is brighter but an early resumption of the distribution is not assured.

We feel, therefore, that if you are in a position to continue to hold this stock your investment should appreciate above the price you have mentioned and this course would seem to be advisable unless you find it desirable to realize or have an opportunity to change for something else with advantage.

### HOLLINGER GOLD MINE

Reader, Brownsburg—Will you kindly give me all particulars on Hollinger Mining Stock, together with your advice as to buying at around $12.25. What is the prospect?

Hollinger gold mine is now producing around $1,000,000 monthly. It has tremendous ore reserves blocked out and running into many millions, the 1921 statement said $42,716,027, but these have been materially increased. Besides there are potential reserves of a vast but unknown quantity. The company hoped to have been able to increase its daily tonnage from 4,000 to 7,500 tons but because of the power shortage was unable to do so. Hollinger then decided to erect its own power development plant and started to husband its finances with this in view. This explains why the dividend has not been increased and why the treasury of the company contains about $8,000,000. The Northern Ontario Power Co., faced with a possibility of losing its best customer, claimed in the courts that the agreement with the Hollinger was to supply the power needs for the life of the mine. This litigation has delayed progress. Hollinger is paying a one per cent. dividend every 4 weeks, or 13 per cent a year on a par value of $5. At $12.25 the yield would be 5.30, hardly a sufficient yield for an ordinary mining venture. However, Hollinger is generally considered in a class by itself, having paid practically $20,000,000 dividends already. The price of $12.25 is not based on the present return, rather is it discounting an increase in the dividend which has been looked for for some time. With its tremendous cost surplus piling up, and the fact that if it does go ahead with its own power development, the expenditure would be only around $4,000,000, the indications are that the company must soon increase its disbursements to the shareholders

### CANADIAN NORTHERN RAILWAY

F. S., Toronto—I would appreciate your comments and advice relative to the purchase of Canadian Northern Railway 5 per cent. income charge debenture stock, payable 1930. The original issues were made in London, England, in June, 1910, April 1911 and October 1912. This is being offered by a local bond house at 49.00 per $100 of debenture stock. Are these a direct obligation on the Dominion of Canada in view of the government now owning the C.N.R.? In your opinion will there be any question of their being retired at par when due in 1930?

Canadian Northern Railway 5 per cent. income charge stock is in some ways a remarkable security. It is not an obligation of the Dominion of Canada but there is every probability that the stock will be met at maturity. Should the Dominion of Canada sell the lines, the stock would still be a charge on the railway. A legal opinion of E. G. Long, K. C., of Toronto, says that the stock "charges the whole undertaking and railways of the company present and future, including rights of way, terminals, rolling stock, equipment, tools, income revenues, franchises and all real and personal property. It is a fixed charge on the lines, rights of way, terminals and other immovable property and is a floating charge on the other property covered by the mortgage.

"It is inconceivable," he says, "that the Dominion of Canada, having committed itself to a policy of public ownership of railways, in which it has invested millions of money, would fail to meet such obligation of the Canadian Northern Railway Company, when by so doing proceedings could be taken to foreclose the lines covered by the Trust Mortgage above-mentioned. The result would seem to be that the holder of the stock has behind it the credit of the Dominion of Canada."

Mr. Long continues, "The Company is absolutely bound to pay the principal of the debenture stock when it matures on the 6th May, 1930." Otherwise foreclosure proceedings could be taken.

### LEGAL TENDER MINING

East Ontario—Would appreciate any information you would be able to give on the present status of the Legal Tender Mining and Development Co., of Slocan, B. C. Stock was sold in 1897.

The Legal Tender Mining and Development Co. of Slocan Ltd., was struck from the British Columbia Register of Companies on Aug. 25, 1912, for non-compliance with the provisions of the "Companies Act" and has ceased to carry on business.

### INHERITANCE TAX

M. G., Ardmore, Pa.—Does the Canadian Government assess an inheritance tax upon shares of Canadian corporations held by a citizen of the United States? Does the British Government assess an inheritance tax upon shares of British corporations held by a citizen of Canada?

The Canadian Government does not impose inheritance taxes, but each of the provinces has its own schedule of succession duties which are payable as provincial taxes. The laws vary from province to province but in Ontario succession duties are payable upon shares of Ontario corporations held by an American citizen.

The British Government assesses inheritance taxes upon shares of British corporation held by Canadian citizens, but there are reciprocal arrangements whereby the Ontario Government and most of the other provinces make a rebate of at least a portion of such taxes in order to avoid double taxation.

# Long Cabled Enquiry from England Shows Importance of Post's Service

The confidence placed in the service THE FINANCIAL POST is giving to its readers, in its Investors' Enquiries column, is evidenced by a long-cabled enquiry from England in regard to the Rochester Gold Mine. Not only was the query cabled, but THE FINANCIAL POST was asked to cable the results of its investigations and authorized to go to any reasonable expense to secure the necessary information.

The enquiry cable was as follows:

"Reported here wonderful developments pending Ontario gold fields proximity Hollinger. Rumored strike great reef on Rochester. Want you investigate thoroughly and cable unbiased report actual position, prospects. Spare no reasonable expense. Reply by cable steps you are taking."

This cable resulted in investigations being launched that took up the better part of the week. One of the first steps was to locate Thos. Flynn, a mining engineer of repute, who was known to have a definite knowledge of the Rochester and the work done.

Mr. Flynn was in Timmins at the time and on being reached by wire was asked as to the details of the work and prospects on the Rochester. Thomas Gibson, Deputy Minister of Mines for Ontario, was consulted and views gleaned. A. G. Burrows, provincial geologist, who spent last summer in Porcupine, was interviewed as to the property. Unfortunately he had not got around to the point of examining the Rochester before the snow fell. Mr. Burrows was able, however, to give a wealth of information about the district, to go over the Hollinger geological maps which showed the formation of the property adjoining the Rochester and the strike of the Hollingers and what veins might be expected to go into the Rochester. Then in turn, four other engineers were consulted about the property and its prospects. Everyone of these men had either been on the property or knew its character well, and one of them had an old report and maps on it. Then when Mr. Flynn's letter was received, giving information that Hollinger veins had been cut, Mr. Balmer Neilly was consulted and besides other valuable information, the secretary of the Ontario Mining Association was able to produce from his records the average values secured by The Hollinger in veins which lay adjacent to the Rochester and which may have numbered among the veins which have already been cut or which may be cut later.

As a result of these investigations, THE POST cabled the following report:

"Rochester cross-cutting at hundred and fifteen level encountered two veins, visible gold and five to fifteen feet commercial ore. Accepted as being extensions of Hollinger veins and evidently same general character in width and grade of ore. Cross-cut five hundred feet long. Shaft being strong assay results low. Hollinger reserves show values of three veins leading towards and adjacent to Rochester, ten, nineteen and four dollars. Operations halted to install machinery, resumed to-day. To cross-cut to boundary expecting to cut other Hollinger veins sink to three or four hundred feet and develop veins. Government geologists and mining engineers of repute look upon property favorably. Nipissing diamond drilled property encountered good ore but later abandoned. This is all data available. If further is needed advise and will send engineer in to make complete examination. Mailing maps."

As the Rochester development is limited, the length or depth of the ore bodies being unknown, the above facts pretty thoroughly cover it, so that the hiring of an engineer was hardly warranted. The maps are going forward, covered with the notes gathered during the investigation that the enquirer may have this additional information besides hundreds of other facts about the Porcupine camp and area surrounding. Cable charges were the only expense to the enquirer.

# Trust Company Service for a Widow With Money to Invest

Mrs. J. G.—I am a widow with approximately $50,000 to invest. I have invested $224,000 in Victory Bonds and for the remainder would like to obtain good city bonds or invest a sum in trustee investments in such companies as the Toronto General, the Royal and the National Trust. I have been offered 5.57 per cent. and 6 per cent. by the first two named for a term of five years. I would like to know the relative positions of the three companies and if you would consider such investments advisable.

The guaranteed trust certificates of Canadian trust companies form a very satisfactory investment. With the decline in yields on government and municipal bonds they have become more attractive, many of the companies offering, as you point out, as high as 5¾, and 6 per cent. on special terms. The one drawback to such investments is the shortness of the term, five years. At the end of five years it is doubtful if you will be able to renew the investments at the same rate. You would be pursuing a good policy to invest a part of your funds in these certificates but we would also advise that a portion be put into provincial or municipal securities. We cannot recommend definite bonds for you to buy for the holdings of the investment bankers are constantly changing. Any reliable investment dealer will make recommendations to you.

As for the three trust companies you name, all are large and soundly established institutions. All have excellent management and you may deal with any one of the three with safety.

We would like to make a suggestion to you that we feel would work out very much in your interests. It is that you put your money in the hands of a trust company—any sound Canadian trust company—and have it invest the money to the best advantage. A portion of it would probably be put into first mortgages of strength and would return you a substantial yield. You are probably not in a position to invest safely and profitably in first mortgages. The trust company would make a small charge for managing the investments and in the end your net income would be larger than if you handled the money yourself and the risk of loss would be minimized. We are informed that similar estates handled by trust companies are returning over 6 per cent. net to investors after payment of charges.

## CURRENT OPINIONS

### LARGE BANKS WIDELY OWNED

The American Banker

The extent to which bank stocks have become a popular investment and the way ownership of large banks is being widely distributed was emphasized by the reports made last week to the stockholders of their banks by Charles E. Mitchell, president of the National City Bank, and James S. Alexander, president of the National Bank of Commerce in New York. According to the statements of their presidents the National City now has 5,477 stockholders and the National Bank of Commerce 5,598. The number of stockholders of the National Bank of Commerce increased by 1,827 over last year. The greater popularity that bank stocks are enjoying, among small investors as well as large, is welcomed by the banks and is an excellent sign of the increase of investment knowledge on the part of the public. Bank stocks are a most excellent investment, offering, as they do, safety as to dividends and principal, with splendid opportunities for increase in value as banks grow with the communities they serve.

### THE ONTARIO SAVINGS OFFICES

St. Catharines Standard

In an advertisement issued apparently by the Drury Government, the statement is made that thirteen Savings Offices have been opened by it, and that it is intended to open more periodically throughout the Province. It states that the offices are "endeavoring to employ advanced methods for securing deposits," but what these are is not stated. Again it says that the offices should soon not only be able to "satisfy the requirements of the Agricultural Development Board, but should materially assist the Province in financing its requirements," which it is to be assumed means that these offices will be real banks in every sense of the word.

The people should, however, be careful to watch the development of these offices as banking is a complicated and difficult business to conduct * * * * It would seem that what may be expected if these banks extend their operations, is that commercial business will suffer, and discount rates be higher. These are not assumptions; they are statements made by a banking authority, and it is evident that at the coming session the Legislature should consider the question of the advisability of these Savings Offices.

### AN UNHELPFUL PRESS

Grain Trade News

Western Canada is unfortunate at the present time in having so few instances of sane leadership in its press. The Winnipeg daily papers, with their wide circulation and very considerable influence, have been proving more excitable, less consistent and less helpful toward sound solutions of important problems even than many of the provincial papers. Their varying attitude toward the Wheat Board problem makes a strange history. The desire to ride in the band-waggon, no matter who drives or in what direction it heads, is not one of the most useful of human inclinations. The public mind is sensitve to inconsistencies and to vacillation in purpose and influence gradually disappears, but in the meantime many fundamental wrongs may be allowed to be committed because only partial or distorted views are given wide publicity. The people of Western Canada are essentially sane and reasonable and there is, under existing conditions, a greater responsibility upon individuals to assert themselves in favor of the courses of action they know to be sound.

### ALL HIS TROUBLES BEFORE HIM

Barron's Weekly

If human nature has completely changed in Canada, or materially changed for the better, Sir Henry Thornton will make a success of the great system which he now administers. When such a man is engaged he is always assured that he will be given a free hand. A secretary of Sir William Van Horne, then president of the Canadian Pacific, attempted to run the Victorian government railways in Australia and began, as Sir Henry Thornton must begin, by cutting out deadwood. From that moment his troubles began. Every discharged employee had a member of Parliament to speak for him. The new Victorian railway manager hardly completed his first contract. An attempt to do the same thing on the Intercolonial, long before the general merger under government ownership, met with the same fate.

The government railroads of Canada are uneconomically all over-manned, as government-owned railroads are everywhere in the world. But that is not the only snag which the new manager may encounter. A prominent politician has already proposed to sell that part of the Grand Trunk which is in the United States. The Grand Trunk is a Canadian road with one terminal in Chicago and the other in Portland, Maine. Its Canadian business is local and it has sixteen hundred miles of American railroad, which happens to be the most profitable part of the system. But a Canadian government-owned railroad in the United States is a potential breeder of international complications—a fact which has been pointed out in these columns before.

Sir Henry deserves everyone's sympathy, if that will do him any good. But discharged employees mean lost elections, and politicians will be politicians as long as the world goes round.

### RATHER CONFUSING

Grain Trade News

If the Western Canadian farmer becomes bewildered it is no wonder. Everyone with a scheme of any kind to promote tells the farmer how many cents per bushel it will save him if the scheme is carried out, and that he is losing just exactly that many cents per bushel now.

On Tuesday one of the Winnipeg daily papers gave its chief article to the support of the building of the Hudson Bay Railway, while the other did the same for the St. Lawrence Deep Waterway. Each scheme apparently was to save the farmer not less than six cents per bushel.

An interesting question is whether it is the same six cents per bushel that is involved in each scheme, or whether they are two different amounts. If the latter be the case, it is to be expected that some one will come forward and tell the farmer how he can save not less than twelve cents per bushel by supporting both schemes at the same time.

It is not quite clear whether the amount to be saved by either or both of these proposals is the same six cents or more per bushel which was to be saved by the construction of the National Transcontinental Railway. No satisfactory explanation, moreover, has ever been given as to what became of the saving per bushel the farmer was to realize from the construction of the new route to the Pacific ocean through Prince Rupert.

Others besides farmers are getting confused over these things—and rather tired of this style of promotion literature.


## Conditions Affecting Investments

**The present state of loans, deposits, bank reserves—some of the factors that will influence prices of securities—thoughtfully indicated in the new issue of Greenshields Review.**

*Write for a copy to-day*

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To those who require the return of their capital within a short period, but who wish to invest it profitably in the interval, we can offer a selection of

**High-grade Ontario Municipal Bonds due in from one to three years.**

These bonds yield from 5% to 5.50%. A special list will gladly be furnished upon request.

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## Investors' Inquiries Coupon

It having been found impossible to give the desired attention to inquiries regarding investments being received in increasing volume from the public, The Financial Post finds it necessary to confine this service to regular readers who are asked to attach this coupon to their request for information.

**INFORMATION DESIRED**

The undersigned desires information or advice in accordance with the attached inquiry:

Name ..........................................

Address ..........................................

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Mining Securities

A TABLE giving the price range for 1921-22 is given in the current issue of Gibson's Fortnightly Mining Review, also information concerning:

BEAVER CONS. DOME MINES
NIPISSING LAKE SHORE
CLIFTON TECK-HUGHES
McINTYRE GOLDALE
KEELEY SILVER

If your name is not on our mailing list, write for your free copy today.

Homer L. Gibson & Co.
Bank of Hamilton Building TORONTO

# NEWS AND VIEWS ABOUT BONDS

## SELLING PREMISES IMPROVES LIQUID POSITION OF BANKS

### Practice of Turning Into Cash Approved After Accumulation

From Our Own Correspondent.

MONTREAL. — The practice of banks in disposing of a portion of the real estate that they have accumulated for office buildings over a term of years, and receiving in return a substantial sum in cash which will improve their liquid position, is one that is commending itself more and more to banking institutions in this country. The bank continues to lease the premises for a long term of years and retains its control of them for this purpose, while its assets available for commercial loans are increased by a substantial amount.

The usual method employed by Canadian banks has been to organize a realty company to which is transferred the real estate of the bank, or as much of it as it is desired to separate from the item that appears in the balance sheet as "bank premises," which it continues to own itself. On this property, bonds are issued and these usually have an equity of double or more the amount of bonds issued. Thus if bonds to the extent of $5,000,000 were issued it is probable the real estate would have an earning power equivalent to a value of at least $10,000,000.

**Lease Covers Life of Bonds**

Beside the equity contained in the real estate, which passes to the realty company and is pledged against the bonds, the bond holders have as an additional security a lease of these premises by the bank in question, covering as a rule the term of life of the bonds, 15, 20, 30 or more years, as the case may be. This annual rental usually covers not only the interest charges on the bonds, payable every six months, but provides in addition a sinking fund. Frequently it is arranged that the bonds are serials, so that $100,000, $200,000 or more of the original amount outstanding is retired each year.

One of the most improved methods in connection with sinking fund arrangements is one whereby a sufficient quantity of the bonds are retired each year so that when the issue matures the entire amount will have been amortized. This is done sometimes by annual amounts being set aside by the banks for this purpose either in the form of a portion of the rental or an amount which is charged to the ordinary overhead expenses of the bank and paid for out of earnings. Indeed, as it is, the banks set aside year by year amounts running to hundreds of thousands of dollars to stand against banking premises with the idea that these should be reduced on a conservative system of valuation year by year.

**Amortizing the Bonds**

The theory in regard to amortization of the bond issue made against the bank premises is that when the bonds mature, say in 20 or 30 years, the whole property will come back to the bank and be set down in value probably as a single dollar. This provides a very impressive and useful reserve for the bank and for its shareholders and for the general public, against losses that may occur from time to time due to unexpected reasons. In a similar way a number of industrial companies reduce year by year the amount set down as the value of their "goodwill" or the value of their "brands" or "trade marks" until this, too, comes to a nominal value of one dollar, leaving as a "contingent fund" against unexpected losses an amount that in the case of very valuable trademarks may have a market value running into millions of dollars. Insofar as comparison is possible the amortization of the bonds of the bank issued against its real estate in connection with a subsidiary real estate company may be said to be for a similar purpose. It should be noted that all the common stock of the real estate company is owned by the bank, so that when the bonds mature all the assets held by the real estate company, that is the bank premises, come back again automatically into the possession of the bank.

Thus it works out that the bank is able to make its liquid position stronger so that money that was formerly tied up in bricks and mortar is available for the ordinary commercial demands made upon the bank, and, on the other hand, after the bond issue has been retired there remains a large equity for the reserve or contingent fund of the bank.

While the revenue, sufficient or more than sufficient for the bond interest, is guaranteed by the lease given by the bank of the premises as a blanket over the period of life of the bonds, the bank itself does not guarantee the bonds whose security rests in the real estate itself. Thus, it may be said, the bank has reached the position where it is able to liquify a large portion of its capital investment.

Another point that is worthy of note in connection with such transactions is that these bonds are usually disposed of outside of Canada and the amount comes into the country for commercial purposes.

### ISSUE TAKEN UP

Announcement is made that the issue of $750,000 of Donnacona Paper Co. 6% mortgage sinking fund gold bonds, has been over subscribed.

## Canadian Provincial and Municipal Bonds Endorsed by U. S. A. Papers

Canadian bonds have been much discussed in the United States recently. A coincidence of criticism from some sources and a demand for power to purchase Canadian bonds from many savings banks has focused attention upon our securities.

The United States Investor of Boston recently made a plea for recognition for Canadian bonds. It refers to the "archaic notion" that American banks should not buy Canadian bonds. It says: "The interest yield is particularly attractive and the element of safety all that could be desired." Canadian provinces have been true to every debt obligation; there has never been a default, it is pointed out. "This is more than can be said of some of our states," the Investor adds.

**Municipal Bond Record**

Regarding municipal bonds the paper says that the Canadian record is good.

"The record behind Canadian municipal bonds is good. There is no long list of repudiated debts, such as one finds on the score of some of our Western and Southern states, with the result that no eastern legislature cares to open the door widely for investment of mutual savings bank funds in Western or Southern municipal bonds. Indeed there is a good deal of reason for commending the record which the municipalities of Canada have made, when consideration is given to the strain and stress through which Canada has had to pass, as a partner in the great war. Only a few of the small communities of Western Canada have had difficulty in meeting their bond obligations, and then only when crop troubles have occurred. In these instances, there has been a determination on the part of Canadian bond houses to see that matters are rectified, and our understanding is that all of these minor defaults are being adjusted.

The bond buyer of New York, compares Canadian and American bonds from legal viewpoints. American states are by the U. S. constitution forbidden to impair obligations assumed in issuing bonds. In Canada provinces have sovereign power and no such guarantee holds, but the Bond Buyer considers this difference of no practical significance. In the case of Canadian municipal bonds, the paper, after paying a tribute to the record of such securities, adds: "The holder of a Canadian municipal bond on which default has occurred has practically the same remedy at law as though the bond was an obligation of an American city or town.

E. A. Macnutt, treasurer of the Sun Life, contributes to the Bond Buyer a letter answering certain criticisms directed at Canadian bonds. He states that the larger per capita debts in Canadian provinces are due to the sparse population. "As the population increases the per capita debt ratio will decline, as a great many of the expenditures would not increase in proportion to the population," says Mr. Macnutt, who refers as a factor of strength to the "very valuable assets, such as crown lands, covered with standing timber, owned by some of the provinces. The value of these crown lands alone in the cases of British Columbia and Quebec is estimated to be greater than their entire funded debt."

Regarding the railway guarantee of the provinces, Mr. Macnutt shows that "none of the provinces guaranteeing Canadian Northern securities have ever been called upon to meet those interest charges," while the acquisition of the Grand Trunk Pacific by the Dominion has in effect relieved the provinces of their guarantees of the bonds of that line.

## MacKay and MacKay Have Bought Woodbridge Bonds

MacKay and MacKay have purchased $40,000 5½ per cent. 30-year debentures of the town of Woodbridge at 99.26 or a 5.60 per cent. basis. The bids were:

| | |
|---|---|
| Mackay & Mackay | 99.26 |
| Aemilius Jarvis & Co. | 98.51 |
| Municipal Bankers Corp. | 98.30 |
| McNeill, Graham & Co. | 98.14 |
| Nesbitt, Thompson & Co. | 98.071 |
| Dyment Anderson & Co. | 98.08 |
| Murray & Co. | 97.64 |
| Bell, Gouinlock & Co. | 97.60 |
| Gairdner Clarke & Co. | 97.31 |
| R. C. Matthews & Co. | 97.198 |
| Wood, Gundy & Co. | 96.587 |
| Dom. Securities Corp. | 96.53 |
| C. H. Burgess & Co. | 96.16 |
| McLeod, Young, Weir & Co. | 94.17 |

## Cycles of Investment

Anyone who has been watching financial and economic movements during the years since the beginning of the war has observed one of the most interesting periods in the fiscal history of the world. In this short space of time changes have occurred that in ordinary times would be effected only over a term of many years; great economic changes are still proceeding rapidly. We have seen rising commodity prices, rising money rates, inflation, and the beginning of deflation.

Many statisticians and economists have studied the changing conditions carefully from the standpoint of applying to them the theories that have been developed in regard to financial cycles.

It has been observed that economic changes of various kinds succeed each other in definite order. It is obvious, for instance, that increasing money rates will be followed by declining bond prices. It is not so obvious, but is nevertheless true, that declining bond prices will be followed by declining stock prices and then by declining commodity prices. And so it goes. The sequence does not vary. Thus the business man or investor who makes a study of these business and financial cycles can with a fair degree of accuracy tell what is likely to be the next movement in economic trends simply by determining in what particular movement he is now living and working.

**A Schedule of Changes**

A well thought out sequence of events in a financial cycle as outlined by an American writer is as follows:

1. Money rates increase.
2. Bond prices decline.
3. Stocks decline.
4. Commodity prices decline.
5. Real estate prices decline.
6. Money rates low.
7. Bond prices increase.
8. Stocks go up.
9. Commodity prices increase.
10. Real estate prices increase.

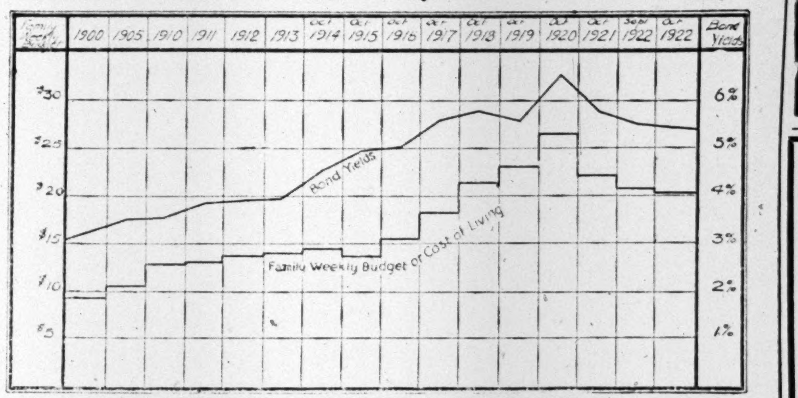
And we are back where we started.

Cycles vary in the length of time they take to run and naturally are greatly affected by such disturbing events as a great war or a widespread series of crop failures. In normal times a cycle may run itself out in five years. There may be a succession of movements in a cycle where developments succeed each other with great rapidity with long pauses where developments work themselves out with cumbrous slowness. In the course of successive cycles each element will not always reach the same point. The high point of bond prices in one cycle may be greater than the high point in the next cycle. There seem to be cycles within cycles.

To illustrate this point: Bonds reached low levels in 1907, a "panic" year, in 1913 and again in 1920. Yet the low point in 1907 was much above the low point in 1913 and again the low point in 1913 was much above the low point of 1920.

**Future Cycles Forecast**

A chart of bond prices during the past forty years in Canada would be the record of bond movements during half a dozen investment cycles. From such a chart one could almost plot the future of bond prices for the next forty years, but with limitations. While upward and downward movements could be shown the extremes of the up and down movements could not be plotted. It would be fair to assume though that while the tendency through successive financial cycles over a term of years has been to continuously increasing yields and lower bond prices the tendency through successive cycles in the years to come will be towards lower yields and higher bond prices. It seems hardly conceivable that bonds will again revert to the abnormally low levels that were reached two years ago.




**BOND PRICES AND THE COST OF LIVING**

The relation between commodity prices and bond yields is indicated in this chart, prepared by A. E. Ames & Co. Comparison is made between yields on Ontario bonds and the family weekly budget of living costs, issued by the Department of Labor. In general it may be said that as the cost of living (or commodities) rises, interest yields from securities rise, or, in other words, bond prices decline and so give the higher yields. Conversely, as commodity prices fall interest rates fall or, in other words, bond prices rise. The long upward swing for twenty years, since 1900, appears to have been definitely terminated in 1920.

## BOND MOVEMENTS OF THE WEEK

Week Ending January 23

| BONDS— | Int. Rate | Due Year | Yield | Range High | 1922 Low | Range 1923 High | Low | Ask | Bid | High | Low |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Can. Bread | 6 | 1941 | 6.25 | 90 | 88½ | 97¼ | 96 | 98 | 97 | 97¼ | — |
| Can. Cement | 6 | 1929 | 5.90 | 100½ | 94 | 101 | 100 | 100⅝ | — | 100⅝ | — |
| Ced. Rapids | 5 | 1953 | 5.25 | 97½ | 93 | 96½ | 95¼ | — | 96 | 96½ | 95¼ |
| Carr. Factories | 6 | 1940 | 6.86 | 92 | 92 | 91 | 91 | 92 | — | 91 | — |
| Dom. Coal | 5 | 1940 | 5.48 | 98¼ | 92 | 98 | 92 | — | 94 | 94⅝ | — |
| Dom. Textile (B) | 6 | 1925 | 6.00 | 101 | 97¼ | 100½ | 99½ | — | 99¾ | 100 | — |
| Dom. Textile (D) | 6 | 1925 | 6.00 | 100 | 98 | 100 | 100 | — | 99¾ | 100 | — |
| Montreal Power | 4½ | 1932 | 5.55 | 93½ | 91½ | 93½ | 92 | — | 92 | 93½ | 92 |
| Penman's | 5 | 1926 | 6.70 | 94¾ | 90 | 96 | 93¾ | 96 | [illegible] | 96 | 94 |
| Price | 5 | 1940 | 5.88 | 90 | 85 | 90¼ | 89¼ | — | 90½ | 90¼ | — |
| Quebec Rly | 5 | 1939 | 8.10 | 87¼ | 63½ | 72½ | 69 | 73 | 72 | 72 | 70½ |
| Rio | 5 | 1935 | 6.65 | 87¾ | 76 | 86½ | 85¾ | — | 85 | 86 | 85¾ |
| Steel of Can. | 6 | 1940 | 6.00 | 100¾ | 97 | 100½ | 99¼ | — | 100¼ | 100 | — |
| Wayagamack | 6 | 1951 | 7.48 | 88¾ | 71¾ | 83 | 82¼ | 82½ | — | 82½ | — |
| Winnipeg Elec. | 5 | 1935 | 5.60 | 92 | 88¾ | 94½ | 94½ | — | 91 | 94½ | — |
| War Loan | 5 | 1925 | 5.00 | 96.30 | 96.10 | 100.25 | 99.10 | — | 100.10 | 100.00 | — |
| Do. | 5 | 1931 | 4.96 | 99.90 | 96.25 | 100.50 | 99.80 | — | 100.20 | 100.50 | 100.50 |
| Do., | 5 | 1937 | 4.86 | 101.50 | 99.50 | 101.80 | 101.25 | 101.80 | 101.50 | 101.80 | 101.25 |
| Victory | 5½ | 1923 | 4.78 | 100.70 | 98.75 | 100.95 | 100.40 | 101.00 | 100.70 | 100.95 | 100.55 |
| Do., | 5½ | 1924 | 5.05 | 100.75 | 98.00 | 101.40 | 100.25 | 101.00 | 100.70 | 101.00 | 100.60 |
| Do. | 5½ | 1927 | 4.93 | 102.70 | 99.75 | 102.75 | 101.75 | 102.50 | 102.30 | 102.75 | 102.00 |
| Do. | 5½ | 1933 | 4.88 | 104.35 | 101.25 | 106.70 | 104.40 | 105.50 | 105.25 | 105.55 | 105.05 |
| Do. | 5½ | 1934 | 5.19 | 101.45 | 98.80 | 102.85 | 101.30 | 102.85 | 102.70 | 102.85 | 102.40 |
| Do. | 5½ | 1937 | 4.84 | 106.25 | 103.00 | 107.15 | 106.50 | 107.10 | 107.00 | 107.15 | 106.85 |
| Do. Ren. | 5½ | 1927 | 4.91 | 101.10 | 99.40 | 102.60 | 101.00 | 102.70 | 102.50 | 102.60 | 101.15 |
| Do. Ren. | 5½ | 1932 | 5.19 | 101.10 | 99.70 | 102.55 | 101.00 | 102.70 | 102.40 | 102.55 | 102.10 |

## Straus' First Canadian Bond Issue Offered

S. W. Straus & Co. made their Canadian debut this week with an issue of $2,200,000 of first mortgage 6½ per cent. bonds of the Montreal Insurance Exchange Building. This building is being erected in downtown Montreal adjacent to Molsons Bank.

The bonds are issued on a plan that provides for serial repayment of the issue the final payment being due 1938. Earnings are estimated at $290,00 annually to protect total interest and principal payments that range from $178,000 in 1925 to $221,570 in the final year.

Directors of the borrowing corporation include Lt.-Col. Gerald Birks; Terence M. King; Henry J. Gross; A. O. Dawson, and C. G. Greenshields.

### CANADIAN PACIFIC

Gross earnings of the Canadian Pacific Railway for the week ending Jan. 21, amounted to $2,831,000, an increase of $217,000 or 8.3 per cent. over the corresponding period last year.

### HIGHER COAL OUTPUT

New Brunswick has just completed its best year in coal production. The figures when ready will, it is believed, show an output thousands of tons in excess of 1921.

Wm. Davies Co., Inc.
6% First Mortgage Bonds
Due 1st November, 1942
Price: 99 and interest,
Yielding 6.09%.
R. C. MATTHEWS & CO.
Limited
BOND DEALERS
C.P.R. Building :: Toronto

Victory Bonds
Bought
Sold
and
Quoted
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO.
Telephone Adel. 3870

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

WE shall be pleased to quote you for the purchase or sale of Government and Municipal Bonds and high grade Corporation Securities.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 8283 - TORONTO

**RENE-T. LECLERC**
INCORPORATED
MONTREAL 160 St. James Street, — QUEBEC 74 St. Peter Street,
(Established 1901)

*OSLER & HAMMOND*
*Stock Brokers and Financial Agents*
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*21 JORDAN STREET - TORONTO*

**Continental Bond Corporation, Limited**
Government, Municipal and Corporation Bonds—Telephone Adelaide 3176, 3177.
120 BAY STREET - - - TORONTO, CANADA.
Col. J. A. Currie, M.P.P., J. McVittie, Vice-President.
H. W. Currie, B.A., Sec. Treas.
We can offer attractive bonds to yield from 5½% to 8%. Particulars upon request.

**THE GENERAL FINANCIAL SITUATION**
We shall be glad to answer inquiries regarding the trend of the market and of individual securities, to assist our clients in deciding upon the position they should adopt for 1923.
JOHNSTON AND WARD
171 St. James Street, Montreal.
Members: Montreal Stock Exchange—Toronto Stock Exchange.
BRANCH OFFICES:
Halifax, N. S. Sherbrooke London, Ont. — Moncton, N. B. Toronto Direct Wire Connections — Sydney, N. S. Kingston St. John's, Nfld.

INVEST YOUR SAVINGS
5½% Interest Return
in a 5½ DEBENTURE of The Great West Permanent Loan Company
SECURITY
Paid-up Capital .......... $2,414,663.00
Reserves .......... 1,100,000.00
Assets .......... 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

## PRINCE ALBERT MANAGER DISCUSSES BANK ACT REVISION

(Continued from Page 9)

gold, are amply secured, being a first charge on all issues of the bank reinforced by the double liability of shareholders and in addition to this each bank is required to maintain a deposit, equal to 5 per cent. of its average note circulation for the past year, with the government. The note issue by the banks, however, is not all velvet. At the present time it bears a heavy tax and it is only on account of this privilege that the banks are able to open branches in many of the smaller places which branches are conducted at a loss for a number of years.

**Government Bank**

We hear also a great deal of ill-informed propaganda regarding the value of a government bank but no credit is given to our present system which has stood the test of financial panics that have shaken the systems everywhere in the world but in Canada and Great Britain. Any suggestions that I have seen regarding government banks are rather nebulous to say the least as the practical operation was rather glossed over by theory. "To err is human" and the idea of placing the credit agencies of the Dominion under government ownership is on the face of it such an obvious error in the event of misuse by politicians, that one shudders to think of the big stick that might be swayed against those of other political faith than the reigning government.

**The Australian Bank**

The Alpha and Omega of the government banking propaganda is The Commonwealth Bank of Australia. I noticed recently that the bank with its 3,186 branches and its $290,000,000 of deposits has only loaned $62,000,000, the bulk of the balance of their deposits being invested in Britain, Colonial and Home government securities. If the kind of a bank that Canada wants is one that ties up the people's savings in this way instead of putting it to commercial advantages by current loans as our Canadian banks do, I would say our future is black.

With regard to this Australian bank, it seems to me a case of "hills looking green far away." Its supporters have had to go a long way off to find anything to set up as a model and this bank has only been in existence seven years and test of time may prove that this idol has feet of clay. Again, Australia is a self-contained continent, thousands of miles from everywhere, not in a similar position to Canada on whose boundary to the south is the most aggressive commercial country in the world.

**Taxes**

Another feature of the government bank which is glossed over by its advocates, is that they do not make contributions to public revenue either in the form of taxes or dividends and as the Honorable George Hoadley, minister of agriculture for Alberta, said recently, one of the greatest lessons to be learned is that there is no such thing as easy money and it is a misnomer to say that the government can pay for anything. It is the tax-payer that pays first, last and all the time, and the taxes and dividends that are at present paid by Canadian banks would have to be made up by another form of public tax. The government is an easy creditor and while a government bank may pay no dividends or taxes it has ample room for heavy losses instead and its borrowers may easily become a privileged legion.

One of the few things the United States does not boast in superiority over Canada is its banking system and, if the shrewd, far-seeing American banker acknowledges its merits grudgingly indeed, it is about the highest compliment we can be paid. The banking system of Great Britain has been our model and has steered us through many financial panics and in the writer's opinion any drastic change in the present revision of the Bank Act will be exceedingly unwise, not only in our credit at home but also in those sensitive, delicate arrangements on which foreign trade depends.

## Alberta May Appoint Local Government Board

From Our Own Correspondent

EDMONTON.—One of the most important bills to come before the Alberta House will be a local government act, conferring upon the Alberta Public Utilities Board wider powers of local government in cases of defaulting municipalities. The board has recently been strengthened by the addition of a new commissioner, E. J. Fream, and its own act is to be amended to give it certain increased duties.

### McINTYRE EARNINGS UP

McIntyre earnings for the first six months of the fiscal year as of Dec. 31, show a gross return of $1,193,613 or at the rate of $2,387,226 which compared with a total for the last fiscal year which ended June 30, 1922, of $1,937,105 and for 1921 of $1,994,326. Deducting the cost of operation, $653,773 and taxes and adding non-operating revenue, the net earnings without depreciation deduction total $527,748.

# CIVIC AND PROVINCIAL FINANCE

## NEW BRUNSWICK'S $1,650,000 BONDS SOLD IN CANADA

### Other Issues of Week Include Port Perry, Owen Sound, Woodbridge

The successful tenderers for the Province of New Brunswick issue of $1,650,000 5 per cent. twenty-year bonds were Royal Securities Corporation and a syndicate including C. H. Burgess & Co., MacNeill, Graham & Co. and the Dominion Bank, at a price of 97.043. This issue is payable in Canada only. Twelve bids were submitted by representative groups, the others being as follows:

| | |
|---|---|
| A. A. Stimson & Co. | 96.51 |
| Kerr, Flemming & Co. | 96.39 |
| Wood, Gundy & Co., and Eastern Securities Co. | 96.357 |
| Thomas, Armstrong & Bell, McLeod, Young, Weir & Co., and A. Jarvis & Co. | 96.08 |
| J. M. Robinson & Sons and A. E. Ames & Co. | 95.839 |
| R. R. Daly & Co., R. C. Matthews & Co., and Hanson Bros. | 95.81 |
| Gairdner, Clark & Co., Nesbitt, Thomson & Co., and Bell, Gouinlock & Co. | 95.797 |
| Dominion Securities Corp. | 95.577 |
| National City Co. | 95.769 |
| Bank of Nova Scotia | 95.53 |
| Housser, Wood & Co., and Miller & Co. | 94.91 |

Woodbridge, Ont., disposed of $40,000 of 5½ per cent. 30 instalment debentures to Mackay and Mackay at a price of 99.26. This is a cost basis of 5.57 per cent. Bids were:

| | |
|---|---|
| Mackay-Mackay | 99.26 |
| A. Jarvis & Co. | 98.51 |
| Municipal Bankers Corp. | 98.36 |
| Macneill, Graham & Co. | 98.13 |
| Nesbitt, Thomson & Co. | 98.071 |
| Murray & Co. | 97.63 |
| Bell, Gouinlock & Co. | 97.60 |
| Gairdner, Clarke & Co. | 97.31 |
| R. C. Matthews & Co. | 97.198 |
| Wood, Gundy & Co. | 96.587 |
| Dominion Securities Corp. | 96.53 |
| C. H. Burgess & Co. | 96.16 |
| McLeod, Young, Weir & Co. | 94.17 |

Owen Sound sold to Dyment, Anderson & Co. $200,000 of 5½ per cent. 20 year bonds at 101.239. There was a long list of bids, the second highest being R. C. Matthews & Co. at 101.11.

Hespeler this week disposed of $4,250 of debentures.

Port Perry, Ont., bonds totalling $4,250 of debentures.
6 per cent. 20 instalments were sold to Stewart McNair, Reid & Co. at 101.75. Tenders included:

| | |
|---|---|
| Stewart, McNair, Reid & Co. | 101.75 |
| Nesbitt, Thomson & Co. | 101.53 |
| A. Jarvis & Co. | 100.94 |
| C. H. Burgess & Co. | 100.74 |
| Mackay-Mackay | 100.24 |
| Bell, Gouinlock & Co. | 100.17 |
| Gairdner, Clarke & Co. | 100.12 |
| R. C. Matthews & Co. | 99.574 |
| Wood, Gundy & Co. | 99.57 |
| **FOR COMPLETE ISSUE AT 5½%** | |
| A. E. Ames & Co. | 98.09 |
| Dominion Securities Corp. | 97.57 |
| Wood, Gundy & Co. | 97.39 |
| C. H. Burgess & Co. | 97.03 |
| McLeod, Young, Weir & Co. | 94.117 |

## Succession Duties Are Big Source of Revenue

Succession duties form from 3.2 per cent. of provincial revenues from taxation to 38.7 per cent. The Canadian Tax Conference gives this table their importance:

| PROVINCE | Total Tax Revenue per capita* | Revenue from Succession Duties per capita |
|---|---|---|
| British Columbia | $10.32 | $0.53 |
| Alberta | 6.97 | .47 |
| Saskatchewan | 6.33 | .43 |
| Manitoba | 5.51 | .78 |
| Ontario | 3.54 | 1.37 |
| Quebec | 1.94 | .76 |
| New Brunswick | 1.73 | .23 |
| Nova Scotia | 2.79 | .37 |
| Prince Edward Is. | 2.77 | .09 |

*Excluding Dominion subventions, fees, fines and licenses, public domain revenue, etc.

The conference suggests that an interprovincial conference might bring about more uniform rates and terms for inheritance taxes. At present provincial legislation varies greatly.

## Edmonton Tax Rate May Be Slightly Increased

From Our Own Correspondent

EDMONTON.—There is prospect of the mill rate in this city going up to 40 for the present year. The 1922 rate was 39.70.

Revaluation of all taxable buildings in the city means an increase of about 15 per cent. in the assessment of improvements. Net total assessment will be $63,763,460.

Municipal taxation in Edmonton has been put on a much more satisfactory basis in the last year or two, and the public in general are inclined to believe that things are as fair and reasonable in the way of taxes and civic expenditures as they can be made under existing conditions. The fact that 80 per cent. of the total tax levy in 1922 was collected is taken to show that the policy of weeding out the unproductive part of the tax-bearing property and the placing of the whole tax-enforcing and tax-paying process on a more business-like basis is bearing fruits.

## Should Canada Reduce Debt Or Wait for Notural Solutions?

### As a Start We Might Try to Make Better Use of Revenue Received from Taxation and Make Some Payments Off the Debt Created by the War

Does Caanda actually want to reduce its national debt? In other words, would the increase of taxation that would have to be borne to pay off our loans as they mature or to set up a substantial sinking fund to pay off the debts in time, be worse than the weight of carrying the debt as it is at present?

This is by no means a new question. Every nation that ever created a vast debt has had to face it.

Most writers argue that there is no advantage in paying off a national debt. In fact, many of them consider a substantial national debt an addition to the wealth of the nation, because it creates credit. This, of course, applies only where the bonds are held within the nation itself. In paying interest charges the nation takes money out of one pocket and puts it in another where the bonds are held at home.

While all writers agree though that beyond a certain point the national debt may become a menace few economic thinkers have in the past suggested that a nation should pav off its debt. When the United States set out to pay off its debt there were many economists who thought it unwise. But the States went ahead with its debt reduction plans with this result:

| | |
|---|---|
| Debt in 1865, at close of Civil War | $2,674,815,856 |
| Debt in 1875 | 2,090,041,170 |
| Debt in 1885 | 1,375,352,443 |
| Debt in 1893 | 838,669,476 |

**Natural Solutions**

The chief argument advanced against the repayment of national debts is not, however, the one that it creates credit. It may be summarized in this question: "Why should people bear a high rate of taxation to pay off the national debt when all the practical effects of debt reduction may be realized through the national growth and prosperity of a nation?"

England illustrates the force of this argument. In 1815 at the close of the Napoleonic wars Britain had an enormous debt and the interest charges took 9 per cent. of the national income. In 1880 the debt had been reduced but little and yet interest charges were only 3 per cent. of the national income, due to the growth in population and wealth of the United Kingdom.

Another opinion expressed by a leading economic writer is to this effect: "The payment of the principal of a debt tends neither to impoverish a nation nor to retard its material development, but on the other hand the maintenance of the principal and the constant payment of accruing interest tend to cripple the productive capacity of the nation." Let us see what our own Minister of Finance says on this subject. In his last budget speech he remarked:

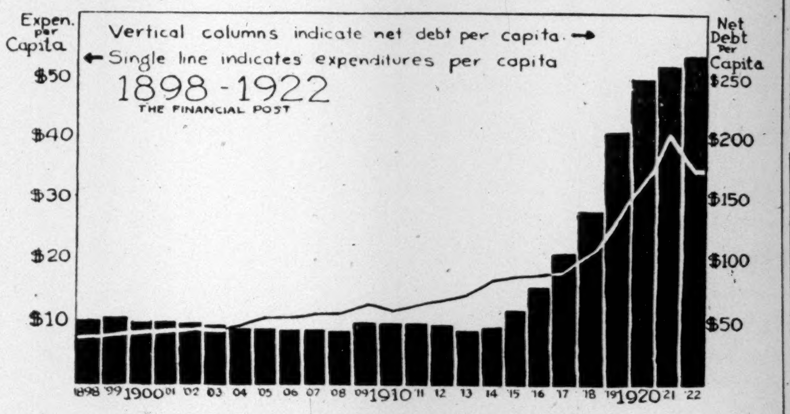
"We must soon consider the question of the reduction of our public debt rather than aim to increase it. Great Britain with all her troubles has since the war paid £500,000,000 of her public debt. The United States is making efforts to reduce her public debt. We have not only made no reduction but we have to acknowledge a steady increase in the public debt every year since the war. If we cannot reduce our debt we should at all events make strenuous efforts to guard against increasing it."

Probably the worst feature of Canada's national debt is not the actual increase in the national debt but the increase in the per capita debt. This has since the end of the war grown from around $200 to the present figure of about $275. Regardless of whether or not we make actual reductions in the net debt of Canada we should effect substantial yearly reductions in the per capita debt. This brings up the question of population. Obviously if we had twice as many people in Canada the per capita debt would be cut in two. In fact, it would probably be more than cut in two, for while it must not be forgotten that large expenditures would have to be made on public works this larger population would probably put our national railways on a paying basis and make it possible to deduct them from the debt as "active assets."

This indicates how closely the immigration and railway problems are linked with that of the national debt.

In a very few words the question as to what we should do with the national debt may be answered as follows:

1. Stop piling up debts; first, by making our railways pay and second, by balancing revenue and expenditures and making better use of our revenue from taxation.
2. Aim at some reduction in our war debts.
3. Develop our national resources and assets in order to make the interest charges easier to bear.
4. Give the immigration question such vigorous attention that there will be more people in Canada to share the debts and debt charges.




**CANADA'S DEBT CONTINUES TO GROW.**
Mere yearly comparisons of Canada's debt totals are not fair in indicating the growth of the national burden. In this chart the growth of the per capita debt is shown. The per capita debt has grown steadily. At the same time per capita expenditures have begun to drop, but this gives little comfort when it is accomplished at the expense of the future by piling up debt burdens.

## Tenders and By-Laws

**TENDERS WANTED**

**Jan. 29, Village of Wellington**—$120,000, 5½%, 30-yr. consolidated school bonds. E. A. Titus, Clerk.

**Feb. 1, Regina**—$1,199,000, $360,000 of which is due 1949 and the balance in 1944. Alternative bids are asked for, bearing interest at 5 and 5½%. Jno. E. Snowball, City Treasurer. (See announcement elsewhere in this issue.)

**Jan. 30, Montreal**—$16,000,000, 5% bonds; $6,900,000 bearing letter "D"; $6,100,000 "F", both dated Nov. 1, 1922, maturing May 1, 1954; $3,000,000, maturing Nov. 1, 1954. All issues payable in New York and Montreal.

**Feb. 8, Montreal Catholic School Commission**—$2,000,000, 5 or 5½%, redeemable in 20 years.

**Feb. 1, Vancouver**—$725,000, Vancouver and District Joint Sewerage Board, 5% 40-year debentures. John Stables, Chairman.

**Feb. 19, Trail**—$11,980, 6%, 20-year local improvement debentures. Wm. E. B. Monypenny, City Clerk. (See announcement elsewhere in this issue.)

**SASKATCHEWAN**

List of authorizations granted by the Local Government Board from Dec. 30, 1922, to January 15, 1923.

**Schools**—Graswood, $4,700; Elk Range, $1,500; Ferndale, $4,500; North Hyde, $2,100; Kellyvale, $3,000; Freedam, $2,700; Service, $3,000.

**Telephones**—Battlevale, $275; Viscount, $650; City of Regina, $5,619.

List of debentures reported sold from Dec. 30, 1922, to Jan. 13, 1923.

**Schools**—Ifield, 2996, $1,500, 10 yrs. 6½%, T. Dundas, Sedley; Crooked River, 2219, $1,500, 10 yrs., 7¾%, Regina Brokerage & Inv. Co.; Utopia, 4482, $3,800, 15 yrs., 7½%, Waterman Waterbury Co., Regina; Bresaylor, 111, $800, 10 yrs., 7¾%, Regina Brokerage & Inv. Co.; Dysart, 1449, $1,800, 10 yrs. 7¼%, Regina Brokerage & Inv. Co.

**Telephones**—Shell River, $9,600, 15 yrs., 8%, Regina Brokerage & Inv. Co.; Fern Glen, $575, 15 yrs., 8%, Cross & Co., Regina; Mervin, $1,900, 15 yrs., 8%, Regina Brokerage & Inv. Co.; Town of Radison, $3,000, 1 to 5 yrs. Sor. Inst., 7%. Locally.

## Saskatoon Utilities Made Profit in 1922

A preliminary estimate made by Commissioner Leslie of Saskatoon, indicates that a net profit of about $110,000.00 was made on the city's public utilities after paying all operating expenses and fixed charges.

The electric light and power plant is responsible for about $98,000.00 of this profit. The waterworks made about $17,000.00 profit, while the street railway had a small deficit of between $5,000.00 and $6,000.00.

The city's total operations for the year just closed resulted in a net surplus of about $60,000.00 of revenue over expenditure.

The sinking fund of Saskatoon now amounts to well over two and a quarter million dollars, all of which has actually been deposited and is excellently invested except for about $45,000.00 represented by 1922 tax arrears and which will be cleared up during the present year.

## WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

| Date | Place | Sold to— | Rate | Term | Amount | Price | Basis |
|---|---|---|---|---|---|---|---|
| Jan. 24 | Woodbridge, Ont. | Mackay-Mackay | 5½% | 30 in. | $40,000 | 99.26 | 5.57 |
| Jan. 24 | Hespeler, Ont. | | | | 4,250 | | |
| Jan. 20 | Stamford Tp., Ont. | Macneill, Graham & Co. | 5½% | 20 in. | 9,700 | 99.78 | 5.53 |
| Jan. 20 | Chateauguay Basin, P.Q. | Beaubien & Co. | 6 % | 20 yrs. | 5,000 | 99.05 | 6.08 |
| Jan. 13 | Saskatchewan Schools etc. | | | | 24,475 | | |
| Jan. 20 | Owen Sound, Ont. | Dyment, Anderson & Co. | 5½% | 20 yrs. | 200,000 | 101.239 | |
| Jan. 23 | Port Perry, Ont. | Stewart, McNair, Reid | 5½% & 6 | 20 in. | 42,000 | 101.75 | 5.42 |
| | | **PROVINCIAL** | | | | | |
| Jan. 24 | New Brunswick | Royal Securities Corp. & Syndicate | 5 % | 20 yrs. | 1,650,000 | 97.043 | 5.24 |
| | | **CORPORATION** | | | | Offered | Yield |
| Jan. 24 | Montreal Insurance Exchange | S. W. Straus & Co. | 6½% | 1925-38 | 2,200,000 | Par | 6.50 |

We offer
P. Burns & Co. Limited
6½%
First Mortgage Twenty-Year Full Sinking Fund Gold Bonds
Dated Jan. 1, 1923. Due Jan. 1, 1943.
Interest payable semi-annually. Principal and interest payable in Toronto, Montreal, Winnipeg, New York and London, England at par of exchange.
Bonds issued in denominations of $1,000. $500, and $100.
Price Upon Application
HOUSSER WOOD & COMPANY
INVESTMENT BANKERS
10-12 King Street East, Toronto.

Government and Municipal Bonds
*Send for our list of investments.*
MACKAY-MACKAY Government & Municipal BONDS
C.P.R. BUILDING TORONTO

We Own and Offer
8% Convertible Debentures
MOUNT ROYAL HOTEL Company, Limited
Dated Sept. 1, 1921. Interest payable in New York, Montreal and Toronto.
Denominations
$100, $500, $1000
PRICE: Par and Accrued Interest to yield 8%, with a bonus of 30% Common Stock.
*Full particulars on request*
CREDIT-CANADA LIMITEE
145 St. James St., Montreal
Main 4735-6

LONG & DALY
BARRISTERS & SOLICITORS
E. G. LONG, K.C
R. O. DALY — C. E. L. BABCOCK
H. E. MANNING — R. G. MEECH
38 King Street West, Toronto

G. A STIMSON & CO.
EST'D 1888 LIMITED
GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
36-38 KING ST. E. TORONTO

THE NEW TEXTILE
We recommend for strict investment and substantial price appreciation the new stock of Dominion Textile Company. Recent transactions on the Montreal Stock Exchange were at 63¾ to 64½.
We anticipate a broad market for Textile stock during the course of the next few months, coincident with a very considerable price appreciation from current levels.
(We shall be glad to execute orders for Textile stock.)
Dickinson & Walbank
Members of Montreal Stock Exchange
152 St. James Street, Montreal.
Main 4090-4093
T. Kelly Dickinson, J. Y. K. Walbank
W. McLea Walbank.

FOUNDED HB 1883
Vertientes Sugar Co.
First Mortgage Sinking Fund 7% Gold Bonds
Due Dec. 1, 1942.
Payable in New York or Montreal.
These Bonds are a mortgage on property valued at twice the outstanding issue and offer a Good Yield with prospects of increase in market value.
Territory supplying cane sugar is capable of keeping a 1,000,000 bag mill operating.
Write for full particulars.
HANSON BROS.
*Investment Securities*
160 St. James St. Montreal — 63 Sparks St. Ottawa

# INSURANCE FOR BUYER AND SELLER

## INSURANCE HAS IMPORTANT PLACE IN ALL ESTATES

For Business Man it is Declared to be Almost Indispensible

### PROTECT FAMILY

Provision for Succession Duty by Insurance Frequently Wards off Cases of Real Hardship and Loss

BY W. G. WATSON

**Assistant General Manager, The Toronto General Trusts Corporation, in an address to the Life Underwriters of Ontario at Hamilton.**

I have been asked to speak to you for a little while upon the subject of "'Experience in the Management of Estates," and particularly as it relates to the advantages of life insurance as an asset of estates. It is becoming increasingly easy with the passing of the years to obtain information or gather data in connection with the administration of estates, that is exceedingly valuable, owing to the development of the idea of the corporate executor that has taken place in Canada during the last forty years since the first Trust Company was organized. The experience of a Trust Company extending over a long period of years, handling, as it does, not only an increasing number of estates, but estates comprising every variety and combination of assets, coupled with a system that makes it possible to register and conserve this experience, should enable such companies to speak with some assurance and authority upon the value of life insurance as an asset of an estate.

Here, for instance, is a case of an estate where the chief asset is a business, small or large—perhaps a house in which the widow and children live, the widow having a life interest. The liabilities to the bank and trade creditors total 25% to 50% of the value of the stock on hand and book debts. It is a very good business, and the family would like to retain it for one or more of the sons, but father is gone and with him, perhaps, the credit necessary to continue the business, but if continued, how are mother and the girls going to get their share out of it? The boys may try to run it along for a few years, if indeed they are old enough to take it over, and through lack of funds, incompetence or hard luck, lose out before mother gets her money, and henceforth she is dependent upon her children for her livelihood. Now, how simple is a situation of this kind if among the other assets you find several good life insurance policies, out of which the debts could be paid and provision made in whole or in part for the widow and daughters?

Again, an estate may consist very largely of a controlling or smaller interest in an industrial or other company, or a partnership in a business, where the lack of either business or personal insurance may greatly embarrass the executors in finding a purchaser of the interest or share; the logical disposition of such an asset is to the surviving partner or partners who should have been put in funds for this purpose through insurance policies on which the business had paid the premiums. It is true that in such a case a sale might be made of the deceased partner's share to the survivor on terms extending the payment of the purchase price over a period of years. This, however, is not always satisfactory, as the business, minus the genius or personality of the deceased and plus the additional financial obligation, frequently declines and ultimately fails, bringing disaster not only to the surviving partner or partners, but to the widow and children of the deceased.

**Suffer from Lack of Money**

Let us turn for a moment from the estates of business men to those of professional men—lawyers, doctors, dentists, journalists, engineers, and many others, and indeed one may include that great army of salaried men, all of whom are dependent to a very large extent upon their practice or personal earnings for the present or future support of their families. I need scarcely remind you that the administration of the estate of many of this great class of citizens is often seriously hampered, and great loss sustained through the lack of ready money for the protection or nursing of certain assets or investments acquired by the deceased, and good enough to protect but which cannot be realized because of general depression or some local condition or disturbance. The executor is without funds with which to meet calls, pay taxes, and interest, or to generally protect and conserve such assets. These are cases in which, for the most part, funds for this purpose can only be provided by life insurance.

There is, however, another matter to which I specially wish to direct your attention to-day—a matter never more urgent or important than in these days, and yet frequently overlooked by business and professional men, viz: some adequate provision in the way of liquid assets with which to discharge the Provincial Government's claim imposed under the Succession Duty Act, which in Ontario on estates ranging upwards from $5,000.00, depending upon the size of the estate and the parties taking under the will, runs from 1% to a maximum of 35%. This is a field which you producers of life insurance should cultivate with great patience and skill. You can afford to spend a good deal of time in the study of the Act and its practical application to specialize cases to which you may wish to address yourself. For instance, unless a testator provides in his will that the succession duty chargeable against his estate shall be paid out of the corpus or capital, and he has given his wife a life interest in the estate under his will, the government under the Act, will value her life interest based upon her expectancy of life, and the duty on such valuation is levied against her income, so that in estates of any considerable size, and particularly where the widow is comparatively young, it frequently becomes a very real hardship to her, as the duty must be paid within eighteen months of the date of the testator's death.

On the other hand, even though the will may provide that all duty shall be paid out of capital, it is always a matter of grave concern in connection with estates representing any considerable amount, where the testator's fortune is largely comprised in a business, the expansion of which has absorbed his surplus profits, to have to provide for succession duty a sum of five to fifty or a hundred thousand dollars or more, which is not only always embarrassing, but in not a few cases disastrous. In such a case, or indeed in any estate where the assets, no matter of what they may consist, are frozen because of business depression or some other cause, nothing could be more helpful to the executor or encouraging to the family than to discover that this contingency had been foreseen by the testator, and provided for by life insurance to the amount necessary.

There is a new, or comparatively new, form of Trust that should be stressed by both the insurance companies and the trust companies. It is known as the Insurance Trust. In short, this is a plan under which business or professional men, or indeed, anyone, may create a trust under the terms of which the settlor transfers to a trust company a policy or policies of life insurance, together with interest-bearing securities or cash for investment by the trustee, the income from which is to be used in whole or in part in paying the premiums on the policies. This is a plan which puts the insurance policy in a safe place, providing as it does for the payment of the premiums, and at once creates resources for the family far in excess of the securities deposited with the trustee. It also leaves the assured or settlor free to prosecute his business or calling without worry as to the future.

## Many Forms of Property Cover Available; Not Generally Known

Heavy Insurance Buyers Will be Interested in These Classes—Agents Will Find Them Excellent Fillers-in and Source of Profit.

BY SAMUEL McADAM

*Below is the first of a series of articles dealing with "Some Unusual Lines of Fire Insurance," by S. McAdam, of the McAdam & Wagstaff Co., agents of the Saint Paul Fire and Marine Insurance Co. The series will be of importance to the buyer of protection. It will show forms of cover available which many do not know exist. It will be important to the seller of insurance. It will open the door for new business. The lines I deal with are a great filler-in for agents, said Mr. McAdam. Some of the specialties which are likely to be dealt with in the series are: Tornado, Rent, Hail, Leasehold, Sprinkler, Leakage, Profits, Commissions, Parcel Post, Tourist's Baggage, Salesman's Samples, Transit, Floaters, Laundry, Merchandise by Auto Truck, Explosion, Riot, Civic Commotion, Rain and Personal Effects. The second article will appear in a subsequent issue.*

There are classes of protection in which fire insurance figures and which at times step in when the ordinary fire policy becomes inoperative. It is also a fact that many of these forms of cover which exist and which are needed by the public, are unknown, not only to the great majority of the public but to quite a few company men and agents. It should be borne in mind by all, that every form of insurance now in existence, is designed, not merely as a money-making proposition, but to meet a public need. While it is impossible to describe all the specialties in detail, it should be kept in mind that these lines are being written in increasing volume to-day. I propose dealing with insurance protection when the ordinary policy does not apply, and when, without insurance protection, the owner is liable for loss.

**Tornado or Windstorm**

In central Canada, or particularly in Ontario and Quebec, in the cities, no great need for this class of cover has as yet been evidenced, as it is seldom asked for, but in many of the lake regions, it is desired both for farm properties and all kinds of town properties. The experience in Ontario, it may surprise you to learn over a thirteen-year period, has practically been loss for all companies interested, as the losses have almost equalled the premiums without taking into account expenses. This form of cover is written at very low rates, beginning with twenty cents for three years on private dwellings, up to sixty-five cents on farm properties, and higher rates on manufacturing plants of large area, considerable height, or with elevated conveyors, carriers, or towers.

In recent years, due to the bad experience, the companies, lacking any sort of an association for combining their experience for the purpose of securing adequate rates, have gradually got closer together in their ideas due to the almost universal poor record, and to-day most companies write this class subject to the following restrictions:

A guarantee that the Tornado insurance carried is equal to at least one-half the value, and some companies insert the Fifty Per cent. Co-Insurance Clause in the place of this guarantee. A $25.00 Minimum Loss Clause is also used now in order to eliminate small claims arising from improperly fastened doors and windows being blown off; and many companies are also using the Roof Depreciation Clause, whereby they can take credit for the age and condition of an old roof, particularly of the shingle class, which are particularly susceptible to storm after a certain amount of use.

It should be borne in mind that Windstorm Insurance is not Hail Insurance, or Lightning Insurance, and it does not protect against Hail, Snow, or Rain, whether driven by wind or not.

Most of the companies prohibit the same class of buildings, such as high towers, frame buildings of large area, like agricultural halls, rinks, signs, and awnings, green-houses, coal, ore and dock hoisting apparatus, and buildings on post foundations, not enclosed.

**Sprinkler, Leakage, Water Damage**

May I quote as follows from a writer in connection with Sprinkler Leakage Insurance: "This much is certain. There will be a sprinkler leakage of some size or other in every risk equipped with automatic sprinklers in the course of time, that is, some fault or defect in the equipment, or some carelessness on the part of workmen or employees is bound to happen sooner or later in every plant. A loss is bound to take place, and no one can say how heavy it may be, and, as it is not the result of a fire, a Sprinkler Leakage Policy is a necessity." The same could apply to water damage, and I will venture to say that there is hardly a company or an agent, who has not at some time or other had an Assured report to them a water damage for which there was no legal claim, as no fire had occurred. In these days of large office buildings, warehouse and factory buildings, and apartments, defective plumbing, extremes of heat or cold cause endless loss, for which there is available protection, and this cover can be secured either on building or contents, or blanket building and contents, or for the legal liability of the Assured, for loss or damage to the property of others, or for use and occupancy.

The rates are reasonable, and are worked out in proportion to the amount of insurance carried, starting out with a basis rate according to location, or construction and occupancy, and declining as the amount of insurance to value ascends. You will readily understand me when I say that it naturally follows that a person carrying insurance up to fifty per cent. of value will get much lower rate than a person carrying a ten per cent. Co-Insurance Clause, and also that for sprinkler leakage or water damage purposes, the firm or person in the top floor of a building, will secure a much lower rate than a firm in the ground floor or other lower floors of a fairly high building. Ordinary water damage rates are, of course, not nearly so high as sprinkler leakage rates, but both fill a need.

### BLACK AND ARMSTRONG AGENCIES

Black and Armstrong, Winnipeg, announce that they have been appointed agents in Western Canada for the North American Accident Insurance Company and will write all classes of insurance except guarantee bonds. They also represent the Imperial Assurance Co. of New York, Excelsior Insurance Co., London.

### CROWN LIFE DINNER

T. E. Connor, recently superintendent of the North Ontario Agency of the Crown Life, has been appointed to take charge of the Toronto City Agency. The officers of the Agency Club chosen at a dinner given by Gen. Mgr. H. R. Stevenson are: President, J. Kaplan; Vice-President, W. G. Watt; Secretary, G. T. Bradley; Chairman for Athletics, H. W. Wilson. The occasion of the dinner was the presentation of the prizes in the Sterling Campaign of 1922, during which year the company received applications considerably in excess of $10,000,000.

### IMPORTANT GLOBE CHANGE

R. E. Patterson, Montreal, general manager of the Globe Indemnity Company of Canada, has resigned his post and is about to move back to Toronto to enter the agency business. It is announced that F. C. Browning will be the new president and general manager of the Globe Indemnity of Canada. Mr. Browning has been engaged in casualty insurance in England for the whole of his business career and during the past fifteen years has held an important position in that branch of the business of the Liverpool & London & Globe and for some time was assistant manager in London for its accident department. G. L. Lloyd has been named vice-president and secretary for Canada.

### COMMONWEALTH LIFE MAKES GOOD SHOWING

The Commonwealth Life began writing life insurance in June last and at the 31st of December have $1,906,910 on their books, carrying an annual cash premium income of $30,478.78.

This is a remarkable achievement in such a short period, particularly so when one takes into consideration the adverse conditions, financial and otherwise, that existed during 1922. While the business obtained has been remarkable, the directors and officers are further to be congratulated on having secured in such a short time an organization that was producing in the latter months of last year at the rate of $4,200,000 yearly.

Several new territories have been opened lately and the results to date from these agencies have been so encouraging that the feeling at head office is that it may be possible to produce $5,000,000 during 1923.


**BRITISH COLONIAL FIRE INSURANCE COMPANY**
MONTREAL
*Canadian—Strong—Progressive*
General Fire Insurance Business Transacted
*Theodore Meunier, Manager*

**The Leading Life Company of the Dominion**
Assurance in Force - $550,000,000
Assets - - - $130,000,000
**Sun Life Assurance Company of Canada**
Head Office - - Montreal

**LIFE INSURANCE FOR MEN OF AFFAIRS**
Estates of any considerable value are subject to heavy death duties: Life insurance is the simplest method of providing for their payment. Have you set aside a policy to meet succession dues?
Business partners whose experience is vital to the organization require mutual life insurance protection. A heavy expense would be involved in replacing the ability of a deceased partner. Has your firm considered this?
Endowment policies can be secured to provide funds for meeting an obligation such as a mortgage loan, to mature at the end of a certain period. The premiums provide the necessary "sinking fund." Had you thought of this?
Policies can be secured that will pay monthly allowances to faithful employees whom you wish to remember and who you desire may remember you. Modern insurance is adaptable to every need.
Insurance sold on all approved plans at net cost.
**The Mutual Life Assurance Company of Canada. Waterloo, Ont.**

**The Independent Order of Foresters**
Organized 1874
**TOTAL BENEFITS**
Paid to Members and their Beneficiaries
**$78,000,000.00**
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

**YOU REAP WHAT YOU SOW**
This saying is as true of money as of anything else. For example: $10 sown each month in a Canada Permanent Savings Account, and watered each half year with compound interest, will produce a harvest of $1,436.57 at the end of ten years.
Why not commence sowing the seed to-day by opening an account? This institution has been doing business in Toronto for more than sixty-seven years and has safe-guarded and helped to increase the savings of many thousands of people, whose confidence it has had for this long period.
**Canada Permanent Mortgage Corporation**
14-18 TORONTO STREET, TORONTO
Paid-up Capital $7,000,000. Reserve Fund, (earned), $7,000,000
Investments Exceed $40,000,000

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
**FINANCIAL ASSISTANCE**
to Estates being administered by it
PAID UP CAPITAL AND RESERVE .................. $1,212,725
**The Imperial Canadian Trust Co.**
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE, WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY VANCOUVER AND VICTORIA

**The Commonwealth Life and Accident Insurance Company**
HAMILTON, ONTARIO

**STATEMENT**
*From June to 31st December*

| | |
|---|---|
| Applications received for | $1,850,092.00 |
| Applications received for Double Indemnity | 480,500.00 |
| Total Insurance in force | 1,906,910.00 |
| Assets | 89,679.13 |
| Liabilities | 67,212.24 |
| Paid-up capital | $55,330.00 |
| Surplus | 22,456.89 |
| Surplus Security to Policyholders | $77,786.89 |

**Features of Company's First Report**
1. There have been no death claims.
2. The gross cash premiums received were $30,478.78, less $2,004.66 for re-insurance, making net cash premium income of $28,474.12.
3. The investments made are all in high-grade bonds—Provincial, County and Municipal.
4. The number of policies issued from June to December were 665.
5. The amount of business being written is now $350,000 monthly, or at the rate of $4,200,000 yearly.
6. 55 1-3% of the stock had been sold by 31st December. Since then a goodly portion of the balance has been disposed of.

**The Western Empire LIFE ASSURANCE COMPANY**
Head Office: 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH, Managing Director.

**British America Assurance Co.**
Fire, Marine and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00

**Western Assurance Company**
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.

**THE CANADA NATIONAL FIRE INSURANCE COMPANY**
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

Assessment System
**THE CANADIAN ORDER of CHOSEN FRIENDS**
Good Features
A Government endorsed twenty-year paid-up plan.
Whole family life insurance, at Government standard rates.
The best sick and funeral benefits. Double sick benefits, by paying double rates.
An up-to-date child insurance department.
Further particulars gladly furnished by corresponding with
John L. Davidson, Grand Councillor, 540 Euclid Ave., Toronto, Ont.
W. F. Campbell, Grand Organizer, Hamilton, Ont.
Wm. F. Montague, Grand Recorder-Treasurer, P.O. Drawer No. 349, Hamilton, Ont.

**Black & Armstrong**
WINNIPEG
Western Branch Managers for
North American Accident Ins. Co. Casualty Insurance
Imperial Assurance Company Hail — Fire — Automobile
Century Insurance Co., Ltd. Fire
Great American Insurance Co., New York Inland Marine — Fire — Auto
Canadian Guarantee Managers for
**The Excess Insurance Co. Ltd**
London — England
Guarantee Bonds Hail Insurance

# INSURANCE TOTAL OF 88 MILLION ON LIVES OF 58

## Canada Boasts of One Citizen Insured for Million

Hon. P. C. Larkin, Canada's High Commissioner to London, is the greatest Canadian purchaser of life insurance. He is said to carry policies totalling $1,000,000. There are many Canadians running from a quarter to a half and three-quarters, but Hon. Mr. Larkin is said to be the only man to reach the million mark.

The U. S. boasts of 56 men and 2 women who carry one million or more. Including in this list the $3,000,000 carried by the late John Wanamaker, the aggregate for the 58 persons is $88,485,000. We have not reached the stage yet where our big men are able to set aside such a huge portion of their funds as they do in the U. S. for insurance purposes, stated one of Canada's leading life insurance men. Over there they go in more for intensified business and the result is that many of the huge policies are business policies. It is interesting, said this agent, to talk to some of these leading Yank salesmen. A million-dollar policy falls as glibly off their tongue as does a $100,000 policy here.

The list of leading insured in the great companies follows:

| | |
|---|---|
| Adolph Zukor | $5,000,000 |
| Rodman Wanamaker | 4,500,000 |
| Pierre du Pont, Wilmington | 4,000,000 |
| James C. Penney | 3,000,000 |
| John Wanamaker | 3,000,000 |
| Percy A. Rockefeller | 3,000,000 |
| J. P. Morgan | 2,500,000 |
| B. E. Bensinger, Chicago | 2,500,000 |
| Henry D. Davidson, Chicago | 2,500,000 |
| William R. Coe | 2,000,000 |
| Arthur Letts, Los Angeles | 2,000,000 |
| Julius Rosenwald, Chicago | 2,000,000 |
| John N. Willys, Toledo | 1,800,000 |
| Louis F. Swift, Chicago | 1,800,000 |
| Harold C. Keith, Brockton, Mass. | 1,500,000 |
| James C. Colgate | 1,500,000 |
| Mortimer Davis, Montreal | 1,500,000 |
| Edgar L. Marston | 1,500,000 |
| William Zeigler | 1,500,000 |
| Gimbel Brothers, Philadelphia | 1,500,000 |
| Mrs. Chas. Netcher, Chicago | 1,500,000 |
| Edwin F. Green, Boston | 1,300,000 |
| H. M. Byllesby, Chicago | 1,250,000 |
| H. L. Arnold, Los Angeles | 1,200,000 |
| Robert Ducas | 1,200,000 |
| George L. Storm | 1,200,000 |
| Frank A. Vanderlip | 1,130,000 |
| Joseph P. Day | 1,105,000 |
| C. S. Mott, Detroit | 1,010,000 |
| Fred F. Brewster, New Haven | 1,000,000 |
| Fred O. Bezner | 1,000,000 |
| Nicholas F. Brady | 1,000,000 |
| Harry Dunn | 1,000,000 |
| H. P. Hollins | 1,000,000 |
| Douglas Fairbanks, Los Angeles | 1,000,000 |
| Mary Pickford, Los Angeles | 1,000,000 |
| Charlie Chaplin, Los Angeles | 1,000,000 |
| Horace Metcalfe, Syracuse | 1,000,000 |
| Morris L. Clothier, Philadelphia | 1,000,000 |
| Alba B. Johnson, Philadelphia | 1,000,000 |
| J. Rogers-Flannery, Pittsburgh | 1,000,000 |
| T. A. Gillespie, Pittsburgh | 1,000,000 |
| John R. McCune, Pittsburgh | 1,000,000 |
| William M. Armstrong, Los Angeles | 1,000,000 |
| William Wrigley, Los Angeles | 1,000,000 |
| W. P. Bonbright, Chicago | 1,000,000 |
| J. W. Bethtendorf, Bettendorf, Iowa | 1,000,000 |
| H. C. Kahl, Davenport, Ia | 1,000,000 |
| James E. Davidson, Bay City Mich. | 1,000,000 |
| C. B. Hayes, Jackson, Mich. | 1,000,000 |
| T. F. H. Peavy, Minneapolis | 1,000,000 |
| Walter S. Dickens, Kansas City | 1,000,000 |
| George Brandels, Omaha | 1,000,000 |
| Harvey S. Firestone, Akron | 1,000,000 |
| Julius Fleischman, Cincinnati | 1,000,000 |
| Charles F. Williams, Cincinnati | 1,000,000 |
| Fred A. Deier, Cincinnati | 1,000,000 |
| Jonathan Warner, Warren, O. | 1,000,000 |
| A. A. Schlesinger, Milwaukee | 1,000,000 |

## Commonwealth Life Has Started Out Well

The Commonwealth Life and Accident Insurance Co., with headquarters in Hamilton, and which started business in June of last year, concluded the year with $1,906,910 insurance in force. Its assets stand at $89,679 and liabilities $67,212, leaving a surplus of $22,456, which added to the paid-up capital of $55,330, gives a security to policyholders of $77,786.

It is interesting to note that the Company passed its first annual report without having received a death claim. The gross cash premiums were $30,478 less $2,004 paid out for reinsurance, making the cash income $28,474.

## More Drastic Laws For Alberta Insurance

From Our Own Correspondent.

EDMONTON.—Two new insurance acts will be introduced when the Alberta legislature opens. Mutual fire insurance companies will be affected by one of these, which will give the first revision of the law since 1903. It will be required, in particular, that adequate reserves be carried by the mutual companies for periods of extreme losses. This act will be uniform in the three prairie provinces. There will also be an act covering accident and automobile insurance. It will require applications for such insurance, as in other classes of risk, with a view to stopping the fraudulent practices now somewhat frequent. Similar legislation is being sought in all the Western provinces and in Ontario.

## MANUFACTURERS LIFE HAD EXCELLENT YEAR

### Assets Have Increased to a New Record—Dividends Increased

The Manufacturers' Life wrote $42,259,329 in new insurance last year which brings the total business in force at the end of the year to $217,422,463. During the same period the assets of the Company advanced by $4,255,702, which constitutes a record. It was stated in the report that 95% of the total assets of the Company consist of government and municipal bonds, first mortgages, loans and policies and cash on hand. The rate of interest earned was 6½%. During the year the Company paid out to policyholders and beneficiaries, $3,748,637 and set aside for policyholders' dividends $1,444,264, a total of $5,192,901, the largest in the Company's history. The mortality was very favorable, being only 44 per cent. of the expected.

Pres. W. G. Gooderham pointed out that during the year the amount of mortgages held, decreased by $539,565. New mortgages totaled $785,640, while repayments totaled $1,325,205. Substantial payments were made on farm mortgage account during the year, but he pointed out that the harvest return was only sufficient to clear off but a portion of the accumulated debts, and it was necessary to carry a number of borrowers over the end of the year. Manager J. B. McKechnie said that the 1922 policyholder dividends totalled $633,235, an increase of 35%. For 1923, $722,094 has been set aside. It was also announced that policies completing their 20-year dividend period in 1923 would draw an increased dividend, averaging 7 per cent.

# THE WEST WANTS SETTLERS TO BE REAL PRODUCERS

## No Place For Social Drones Or Makers For Unrest

From Our Own Correspondent.

REGINA.—In the West the government's definite pronouncement with respect to immigration is being looked forward to with eagerness, tempered with some little apprehension. This fear may or may not be well founded. Nobody will gainsay, however, but that the issue is one of the largest which Canada has to face within the next few years and it must be dealt with effectively, else the country will reap harm instead of good.

The urgent need of settlers is no chimera, no hallucination on the part of political parties or powers. It is a real, live, potent necessity, the lack of which is becoming more obviously evident.

Settlers are needed to increase production; production on a larger scale being necessary to liquidate the country's obligations. Immigrants who will work must be secured to provide business for institutions now anaemic for the lack of it; immigration must be concentrated upon the development of agriculture, mines and forests—those great resources which the Dominion possesses in sufficient abundance to pay many times the amount of debts incurred by expenses inevitable to war and readjustment of war.

**Only Producers Wanted**

Immigrants are not difficult to secure. Thousands, millions of people disgusted with the turmoil of Europe are perfectly willing to come to Canada. A vast concourse of people—white, brown, yellow and black—would welcome the opportunity to cross the broad oceans and become our neighbors. There will be no trouble to secure quantity; unfortunately, quality is the prime consideration.

An immigrant who will not work, does not know how to work or produces nothing when he does secure employment, is in the same sphere as the non-laying hen, an expensive luxury for the country to maintain. Since the indiscriminate governmental gift giving was first introduced the non-layers have increased tremendously in numbers; those with a natural talent for ennui stopped laying, or producing. Every backyard in the country is full of them and many are to be found picking up choice bits in the front garden, just as if they had a right to do so.

**Rewards for Work**

Presume—as a contrary hypothesis—that the right kind of settlers are secured, desirable in every way, workers, capable of assimilation and fusion with Canadians to the end of reproducing an enduring national type. What inducements will be offered?

It seems fairly apparent that the profligate policy of paternalistic patronage in vogue for so many years must cease. Opportunity must be offered but not opportunity for easy money; just opportunity for honest livelihood—adequate return for hard work.

Taxation is one of the bugbears of the intending settler. The most desirable immigrant of all is the one who brings money to the country. This type does not require to be nursed along—taught to walk until he can run by himself, as it were. Taxation naturally scares this class away rather than attracting them.

Taxation has reached a point in Canada where it is almost a menace to business initiative. It is almost unbearable. The effect of the high taxes is most serious when capital is frightened away. A great deal of capital has been lost to Canada during the past few years because of the fall in value of European currencies, formerly the source of a heavy influx of money. At a time when all the money which can be attracted to Canada is needed, efforts should be made to make it attractive for a man to work hard and show initiative. At present there are so many forms of taxation the average man is bewildered, not only to pay taxes, but to comply in all respects with the requirements of the law.

**To Use Soldiers' Board**

A suggestion has been made to have the Soldiers' Settlement Board become the agency through which the federal government handle immigration. This to particularly apply in respect to colonization work in Western Canada. The board provides the skeleton for an efficient organization. Filled out and enlarged upon as the demands upon it increased, it might be feasible. Changes would undoubtedly be necessary in the composition of the board, but the organization exists; there would be no delay consequent upon bringing to life a new organization, and the training and experience possessed by the personnel of the Soldiers' Settlement Board—which has cost the country a considerable sum of money—would be conserved. It would seem to be purely economic waste to scrap it.

Whatever decision the government does reach in this paramount question, it will have as a warning the ghastly errors of previous administrations as an object lesson of what not to do.

The communities of cults and sects, living apart and spawning plentiful increase from year to year of children who are as much foreign to our standards of citizenship as their mothers and fathers, should not be permitted under any new immigration policy envolved.

Freedom is a fine, high-sounding term, but freedom which permits the riff-raff of other nations to use Canada as a breeding place is flying in the face of Providence. If this pernicious thing is permitted to continue, Canada will soon be merged into a state, the symptoms of which caused the U. S. to raise insurmountable barriers against immigration—the state of homogeneous cosmopolitanism.

## CONTINENTAL LIFE HAD BANNER YEAR

### Like Several Other Companies it Declares 1922 Best in History

The Continental Life had a better year in 1922 than in 1920, the banner year in life insurance. In fact the last year was the largest in the history of the company. There was a large increase in the amount of insurance written with substantial gains in income, assets and surplus.

The Company wrote about 25% more insurance during the past year than in 1921. The following are the figures:

| | New Ins. Written | Total in Force | Net Gain |
|---|---|---|---|
| 1921 | $4,090,012 | $18,616,461 | $1,062,805 |
| 1922 | 5,053,329 | 20,127,671 | 1,511,210 |

The premium income for 1922 was $658,203 as compared with $617,536 in 1921. Income from other sources last year totalled $219,386 as compared with $179,422. Payment to policyholders, maturities, policy dividends and surrenders totalled $350,051 as compared with $254,283 in 1921. The 1922 death claims were $127,250 as compared with $66,458.

The 1922 reserves are given as $3,147,434 as compared with $2,936,244, while the assets total, 1922, $3,656,246; 1921, $3,357,784. It is announced that the scale of profit for policy holders in 1923 has been increased by 35% over 1922.

## ROYAL LOAN AND SAVINGS

### The Profits for 1922 Showed a Further Increase

Increased profits for the Royal Loan & Savings Company for 1922, are shown in the annual report. The net figures of $72,372 compare with $71,939 in 1921 and $70,807 in 1920. Figures showing distribution are given in the following table:

| | 1922 | 1921 | 1920 |
|---|---|---|---|
| Net profits | $72,372 | $71,939 | $70,807 |
| Bal. forward | 11,162 | 8,223 | 11,416 |
| | $83,534 | $80,162 | $82,223 |
| Dividends | 54,000 | 54,000 | 54,000 |
| Reserve | 15,000 | 15,000 | 20,000 |
| Balance | 14,534 | 11,162 | 8,223 |
| | $83,534 | $80,162 | $82,223 |

The company's earning record for the past seven years is summarized as follows:

| Year | Paid-up Capital | Profits | Div. | % in. Cap. | Earn. Rate |
|---|---|---|---|---|---|
| 1922 | $600,000 | $72,372 | 9 | 12.0 | 6.5 |
| 1921 | 600,000 | 71,939 | 9 | 11.9 | 6.6 |
| 1920 | 600,000 | 70,807 | 9 | 11.8 | 6.6 |
| 1919 | 600,000 | 80,451 | 9 | 13.4 | 7.8 |
| 1918 | 600,000 | 76,671 | 8 | 12.7 | 7.5 |
| 1917 | 600,000 | 75,487 | 8 | 12.7 | 7.6 |
| 1916 | 600,000 | 63,957 | 8 | 10.6 | 6.7 |

Total assets show an increase from $2,549,200 to $2,612,125. There was a decline in debentures from $689,059 to $663,572 but deposits increased from $746,319 to $816,373. Increased investments are largely in mortgages, the total of $1,670,477 comparing with $1,597,236 in the previous report.

The cost of living among wage earners in the United States in November, 1922, was 1.8% higher than in July, 1922 according to the latest comprehensive study of living costs for the country as a whole by the National Industrial Conference Board.


THE FOUNDATION COMPANY LIMITED
ENGINEERS CONTRACTORS

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

DRUMMOND BLDG., MONTREAL



THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE, TORONTO, CANADA

1922
A YEAR OF SUBSTANTIAL GROWTH

New Business - 42 Millions
Business in Force 217 "
Income - - 10 "
Assets - - - 42 "

The payments to Policyholders and Beneficiaries of $3,748,637. and the amount paid to and set aside as Dividends to Policyholders $1,444,264., were the largest in the history of the Company.

Write for a copy of Annual Report.



Greater Canada Security Corporation, Limited

SUMMARY OF BALANCE SHEET
NOVEMER 30th, 1922

Assets

| | |
|---|---|
| Municipal Debentures | $ 683.09 |
| Mortgages on Real Estate | 156,626.71 |
| Sale Agreements on Real Estate | 2,899.36 |
| Mortgage Interest, due and accrued | 2,307.98 |
| Collateral Loans | 3,878.87 |
| Office Furniture and Fixtures (10% written off) | 668.41 |
| Bills Receivable | 150.00 |
| Cash in Bank | 426.90 |
| Cash on Hand | 50.00 |
| Instalments not yet due on Stock Sold | 46,800.34 |
| Total Assets | $214,491.66 |

Liabilities

| | |
|---|---|
| Subscribed Stock | $181,370.00 |
| Advance Payment on Stock from Investors' Service | 9,436.44 |
| Rent Received (in Trust) | 40.00 |
| Current Accounts | 300.00 |
| Surplus Assets over Liabilities | 23,345.22 |
| | $214,491.66 |

REVENUE STATEMENT
May, 1921, to November 30th, 1922

| | |
|---|---|
| To Interest and Discounts | $41,520.24 |
| To Commissions Earned | 402.45 |
| | $41,922.69 |
| By Rents, Salaries, Valuations, Incorporation, Organization, Advertising, Legal and all other General Expenses | 18,623.33 |
| Net Profit | $23,299.36 |
| By Special Investment Reserve Fund | 10,451.92 |
| Balance Net Profits after payment of Expenses and providing Investment Reserve Fund | *$12,847.44 |

*This amount agrees with the Profit and Loss Statements as at March 31st, 1922, and November 30th, 1922, as prepared by the Corporation's Auditors, Messrs. Neff, Robertson & Company.

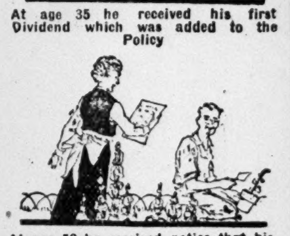


"Have you a Twenty Pay Life Policy?"

A true story of a Canada Life policy issued over forty years ago.

At age 30 he secured a $5,000 Twenty Pay Life Policy

At age 35 he received his first Dividend which was added to the Policy


At age 50 he received notice that his Policy, with 20 years' Dividends, was fully paid for.

At age 70—after having many years protection for $5,000, he withdrew the cash value—now amounting to $6,140. He had paid only $2,830 in premiums.

If he so desired the company would have given him this $6,140 as a monthly income of $66.50 for life.

A Policy on your life will do much towards carrying out your intentions—whether you live or die.

It may pay off the mortgage supply food and clothing for your family, keep the children at school.

It may be all that is left of your life work—to keep you in comfort in your old age.

But—your Policy must be large enough.

The Twenty Payment Life policy is selected by many for the following reasons:

Premiums cease in twenty years—therefore your policy will be fully paid for before you reach later life—when your earning power will have declined.

Cash values increase year by year, and after the third annual premium the policy cannot lapse as long as sufficient value exists.

Dividends are paid during the twenty years and as long as the policy remains in force thereafter.

A twenty pay life policy will provide an amount in event of death equal to twenty or thirty times the annual premium and produce an estate of $2,000, $5,000, $10,000, or more as arranged.

An Easy Savings Plan

These active progressive years of life in which you are earning the most money are the years in which premiums can be most easily met.

Twenty years is a convenient period and premiums spread over that length of time are moderate and easy to handle.

If you are Insurable

—do not delay decision on this important matter—delays are dangerous.

Canada Life
Home Office
TORONTO

CANADA LIFE ASSURANCE COMPANY
Dear Sirs—Without obligation on my part, please send me particulars of your Twenty Payment Life Policy.
Name ..........
Address ..........
Born ...... day of ...... 19.. 12

# PUBLIC OPINION FORCED INQUIRY RE GRAIN RATES

## Government Welcomed the Excuse to Investigate Combine

**From Our Own Correspondent**

OTTAWA.—The criticism that has been expressed against the shipping combine on the Great Lakes, has forced an enquiry into the whole matter. The ordering of the enquiry by a commission composed of Dr. McLean of the Railway Commission, Levi Thomson of Wolseley, Sask., and Gen. Tremblay of Quebec, has given general satisfaction. Indeed, it can be said that the personnel announced has given satisfaction second only to that followin^ the appointment of Sir Henry Thornton as head of the National Railways.

It may be said without hesitation that rarely has the announcement of an enquiry of this kind produced as much favor. The grain-carrying combine seem hardly to have a friend in the world.

As soon as the preliminary enquiry started by the government produced evidence that an enquiry by commission was warranted, the government was not loath to start it. Some of the members of the Cabinet, notably Hon. James Murdoch during his election campaign had said so much about combines and conspiracies against producers and consumers that they undoubtedly were not sorry to have an opportunity to demonstrate their sincerity. In addition to this the Western farmers have been gunning for the combine, and here was a good opportunity to show that the government was prepared to protect their interests.

The farmers of the West fought hard for a reduction in freight rates on grain last year and had won out. So it was galling to see the shipping combine running off with a great deal of the profits that they had fought so hard to secure for themselves.

The shipping interests on the lakes have so far been able to avoid control of lake and river rates. For years Joseph Armstrong of East Lambton fought for it, and used to receive a large measure of support; but owing to the fact that he could never induce the government to back him, his efforts were unavailing. But the situation is different to-day, there being in the House a solid body of farmers who will give organized support to such a demand.

That there must have been a great deal of profit in the grain-carrying business last fall is evident from the number of new boats that have been ordered for this trade and that will be placed in it this year. In at least one case the decision to order boats resulted from an absolute refusal to be held up.

## Toronto As Ideal G. T. R. Headquarters

Sir Henry Drayton, late Minister of Finance, told the Toronto Conservatives this week that the late President Hayes of the Grand Trunk after making a careful investigation, decided that Toronto was the ideal headquarters for that railroad and the headquarters would have been transferred to that city if the Company had a Canadian instead of an English board.

# U.S. Propaganda Explains Canadian Emigration Losses

The U. S. Consul-General at Winnipeg in a report to Washington deals with and commends the valuable propaganda American publications are carrying on in Canada. It is estimated about 2,000,000 copies monthly are read by Canadians. The report says: "The advertisements in these magazines are perused with considerable advantage to the advertiser, as they keep before the public numerous lines of American merchandise."

Thoughtful Westerners are not worried by the advertising of American made goods. That is legitimate business they say. But they are beginning to talk about the effect the articles are having upon Canadian emigration. These articles play up incessantly the attractions of American life. In Western Canada where crops and prices are temporarily unsatisfactory and have created some discontent the articles in these U. S. publications play up incessantly and inaccurately the doings of Americans and the attractions of U. S. life. The natural result is that readers want to go where they think life is more enjoyable, and they are going in thousands. Many of them are native-born Canadians and Old Country people. Letters show they are not finding the happiness they expected but they are finding employment with hard work under the abnormal conditions over the border. Some say they will return—and no doubt will—for experience shows the West will come back—it has always come back bigger than ever. But in the meantime they are lost just when we need them most.

It is recalled that Sir Clifford Sifton, who made the world's record as an immigration getter, said that his chief method of propaganda was the newspapers and periodicals of the United States. He kept them filled with stories of Canada as a land of attractions and of the future. Since his good work stopped, our immigration from the United States has fallen off to unimportant proportions. On the other hand, emigration of settlers and native-born Canadians to the United States has been steadily increasing and has now assumed serious proportions.

# Sales Tax vs. Turnover Tax

Written for THE FINANCIAL POST by F. W. Stewart, Chairman Quebec Branch Canadian Manufacturers' Association

MONTREAL.—After a close study of several months as to the merits of a turnover tax as compared to the sales tax, both from a revenue point of view and also as to the effect upon industrial routine and general commercial procedure, I am strongly of the opinion that the present system of sales tax is the most desirable.

A turnover tax, which is approved of by some commercial institutions and organizations, is defined as a tax which would be collected upon each turnover of the merchandise, from the first sale of the raw material to that of the completed product, when sold to the consumer.

While in either case the tax is eventually collected from the final purchaser, who is the consumer, there are two outstanding conditions which favor the sales tax.

The turnover tax necessitates the collection of the tax from the consumer by the retail merchant.

**Surplus Tax Killed Sales**

The operation of the Luxury Tax proved conclusively that the collection of a tax by the retail merchant from the consumer, was a distinct detriment to business.

The consumer resents the payment of a direct tax when making a purchase.

With the sales tax, the amount is incorporated into the selling price of the article, which must be the case, as the tax must be taken into consideration by the retail merchant, in placing the retail selling prices upon his merchandise.

During the operation of the Luxury Tax it was generally known that some merchants avoided the collection of the tax, and unquestionably the same condition would apply with the turnover tax, which gives the dishonest merchant an advantage over the honest one.

The sales tax places every retail merchant on the same basis, as all must pay the tax to their supplier, whether wholesaler or manufacturer, if the collection of the tax to at least the extent of 2¼% by the wholesaler and manufacturer is made compulsory in the Act.

**Low Cost Collecting Sales Tax**

The other item favorable to the sales tax is its low cost of collection.

The necessity of creating an organization to collect and check up all the retail merchants throughout Canada, with its vast area, would be so costly as to involve a large per cent. of the revenue received to pay the cost of its collection.

The collection of the sales tax through manufacturers and wholesalers is an inexpensive and effective method, and is approved by the majority of commercial institutions today, and in my opinion, is the most equitable system of taxation yet devised, and has proven a most effective means of securing revenue at the lowest possible cost of collection.

**Makes Merchandising More Difficult**

I am strongly of the opinion that no system of collection of taxes should be adopted by the government which will make merchandising more difficult for the retail merchant, than it now is.

Collection of taxes from the consumer by retail merchants prevents sales; prevention of sales means lower volume of sales; lower volume of sales means less purchases from manufacturers and wholesalers; less purchases mean less production; less production means lower wages paid; lower wages paid mean less purchasing power by the consumer, so that it works round the circle and effects the general business conditions of the country.

Everything possible should be done to help the retail merchant to sell merchandise, not to prevent him doing so, and I believe that a turnover tax would have such an effect upon general business conditions.

**Unwise to Make a Change**

The sales tax is operating very satisfactorily and without any appreciable detriment to business, and I believe that it would be unwise for the government to make a change from the present sales tax to the so-called turnover tax, unless some other system may be suggested or devised which will operate more equitably to all classes of business, and to the consumer, and at the same time, give the desired revenue to the government.

## Excelsior Life Surplus for 1922, $953,947

The Excelsior Life issued new policies to the value of $9,753,844 in 1922, bringing the total insurance in force up to $48,412,252. The premium total after deducting re-insurance payments, amounted to $1,491,095, while the total revenue of the Company was $1,964,132, an increase over 1921 of $207,665, the largest in the Company's history.

Death claims totalled $272,426, and other payments brought the total disbursements to $594,172. The death claims were 46.9% of the expected as compared with 48% in 1921. The 10-year average has been 55.6%.

The assets of the Company total $8,374,758, an increase of $985,431, the market value of the securities held being $36,000 above the book value. The interest earnings averaged over 7½%. Special reserve accounts total $60,595. Surplus earnings reached $953,947, an increase of $202,288.

**CANADIAN NATIONALS**

Gross earnings of the Canadian National Railways for the third week of January amounting to $1,946,584 compared with $1,990,921 for the corresponding period in 1922, a decrease of $44,337. For the first three weeks of the year the earnings amounted to $6,298,226, an increase of $558,873.

**CANADA CEMENT**

Canada Cement's report, now being prepared, will, it is believed, show a satisfactory condition. The 1922 output is estimated at 6,500,000 barrels, estimated at $2.40 would give gross revenue of over $15,000,000, and as the manufacturing cost is only about $1.10 a bbl., a gross profit of over $7,500,000 should be left from which to deduct all other expenses, depreciation, interest, idle plants, unprofitable ventures, etc., which, no doubt, will be figured so as to take up a large portion of this amount. The previous year's gross revenue was $2,636,400.

# INCREASING CAPITAL OF CONSUMERS' GAS

## Shareholders Can Purchase One New for Every Three Held at $135

The Consumers' Gas Co. has announced its plan for increasing the capitalization from $6,000,000 to $8,000,000, to carry out needed extensions on account of the demands for service. The plan of disposing of the new stock is different from the usual, almost unique.

For every three shares the present 2,300 shareholders own they can buy one of the new at $135, a premium of $35. The stock is now selling around 157. The feature of the offering is that no fraction of a share is to be allotted and the Company has suggested that the shareholders see that their holdings are three or a multiple of three, by Feb. 3, the date of record for the allotting. This will undoubtedly result in considerable trading in odd shares up to that time. The right to accept or transfer an allotment stands until March 21, which would indicate that there would be considerable trading in rights, although at the office of the Company practically every shareholder to come forward in regard to transfer has signified his or her intention of taking up the allotment. An inducement to do this is the method of payment laid down, the total of $135 being spread over one year, four payments of $33.75 each.

# AGITATORS HAVE MANY SCHEMES TO APPEAL TO FARMERS

(Continued from page 1)

treasury notes to take care of the provincial bonds.

There were 80,000 farmers in Alberta, he said, and 20,000 of them were insolvent. In the four southern judicial districts, judgments were outstanding against farmers totalling $4,813,510. The commissioner, under the Drought Relief Act, had 3,000 live accounts representing, it was estimated, an indebtedness of $30,000,000. The farmers owed the provincial government $5,000,000 for seed, feed and food, and he estimated unpaid taxes at $1,000,000. Even the interest could not be kept up. The farmers wanted to stay on their land, he said, and to pay up all their debts if they were given a chance.

**Alberta's Borrowing Power**

The Attorney-General said the government had to face certain plain, hard facts. One was that the per capita debt of Alberta was greater than that of any other province, with one possible exception; another was found in the fact that next year $13,000,000 had to be found in the sensitive bond markets to replace old borrowings.

Nothing would hit the province a harder blow, he said, than wholesale bankruptcy, but to float a bond issue to meet farmers' obligations would mean the doubling of the capital debt. Some loan companies were withdrawing from the province because they were afraid of what the farmers' convention would do, and he asked where money was to come from to renew existing obligations on the return of normal conditions if this migration achieved any considerable proportions. The government was trying to set up an organization which would relieve the situation on a voluntary basis.

# DIVIDENDS

**THE CANADIAN BANK OF COMMERCE**

**DIVIDEND NO. 144**

Notice is hereby given that a dividend of three per cent upon the paid-up capital stock of this bank has been declared for the quarter ending 28th February, 1923, payable at the bank and its branches, on and after Thursday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1923.

By Order of the Board,
JOHN AIRD,
General Manager.

Toronto, 19th January, 1923.

## THE DOMINION BANK

**Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 31st January, 1923, at twelve o'clock noon.**

By order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 17th November, 1922.

## THE BANK OF TORONTO

**Dividend No. 166**

Notice is hereby given that a **Dividend of Three Per Cent.** for the current quarter, being at the rate of **Twelve Per Cent. per annum** upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the **FIRST day of March** next to Shareholders of record at the close of business on the 10th day of February, 1923.

By order of the Board.
JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto,
January 17th, 1923.

# TORONTO FINANCE CORPORATION, LIMITED

## *Annual Report*

**as at 31st December, 1922**

| | | | |
|---|---|---|---|
| **ASSETS** | | | |
| CASH IN BANK AND ON HAND | | | $ 14,359.80 |
| MORTGAGES RECEIVABLE: | | | |
| Principal | | $336,990.37 | |
| Interest due and accrued | | 3,925.34 | |
| | | | 340,915.71 |
| STATIONERY ON HAND | | | 292.24 |
| OFFICE FURNITURE AND EQUIPMENT | | | 2,867.39 |
| INCORPORATION AND ORGANIZATION EXPENSES: | | | |
| Commission on sale of Stock | | $129,647.60 | |
| Deduct Premium received on sale of Stock | | 99,688.00 | |
| | | | 29,959.60 |
| PRELIMINARY EXPENSES | | | 1,402.00 |
| RIGHTS, PRIVILEGES, ETC., ACQUIRED FROM BANKING SERVICE CORPORATION, LTD. | | | 999,830.00 |
| | | | $1,389,626.74 |
| **CAPITAL AND LIABILITIES** | | | |
| CAPITAL AUTHORIZED | | | $2,000,000.00 |
| 100,000 Shares Common Stock at $10 each | | $1,000,000.00 | |
| 100,000 Shares 8% Cumulative Preferred at $10 each | | 1,000,000.00 | |
| | | $2,000,000.00 | |
| CAPITAL SUBSCRIBED: | | | |
| Common: Issued and fully paid | | | 1,000,000.00 |
| Preferred: Issued and fully paid | | $260,750.00 | |
| Unissued | $287,800.00 | | |
| Less Unpaid | 228,933.90 | | |
| | | 58,866.10 | |
| | | | 319,616.10 |
| MORTGAGES PAYABLE: | | | |
| Principal | | 22,500.00 | |
| Accrued Interest | | 90.67 | |
| | | | 2,590.67 |
| DIVIDEND No. 7 PAYABLE 15th January, 1923 | | | 5,215.00 |
| SURPLUS AND DEFERRED PROFITS: | | | |
| Deferred Profits on Mortgages Receivable | | $59,474.35 | |
| Profit and Loss Account Surplus, as at 31st December, 1922 | | 2,730.62 | |
| | | | 62,204.97 |
| | | | $1,389,626.74 |
| **PROFIT AND LOSS ACCOUNT FOR YEAR** | | | |
| Net profit earned | | | $23,149.23 |
| Balance forward, 1921 | | $ 3,454.81 | |
| Dividends paid | | 16,963.80 | |
| | | $20,418.61 | |
| Surplus | | 2,730.62 | |
| | | $23,149.23 | $23,149.23 |

W. C. METHERELL,
Chartered Accountant,
Auditor.

Hamilton.

Fiscal Agents

**BANKING SERVICE CORPORATION, LIMITED**

C.P.R. Building, Toronto

# TENDERS WANTED

# CITY OF REGINA

## SASKATCHEWAN

## DEBENTURES

Sealed Tenders endorsed "Tenders for Debentures," addressed to the City Commissioners, will be received up to 3 o'clock p.m., Thursday, February 1st, 1923, for the purchase of sufficient of the following Sinking Fund Debentures to retire an issue of Coupon Bonds maturing March 1st, 1923, amounting to $1,016,400.00, which issue was secured by the hypothecation of the Debentures issued under the following By-Laws:

| By-Law | | |
|---|---|---|
| 785 | $360,000.00 | 35 years, Dated July 1st, 1914. Waterworks Extension. |
| 786 | 244,000.00 | 30 years, Dated July 1st, 1914. Light and Power Plant. |
| 788 | 170,000.00 | 30 years, Dated July 1st, 1914. Storm Water Sewer. |
| 789 | 175,000.00 | 30 years, Dated July 1st, 1914. Hospital Extension. |
| 791 | 250,000.00 | 30 years, Dated July 1st, 1914. Street Railway Extension. |
| Total— | $1,199,000.00 | |

The Sinking Fund provided for in the above By-Laws has been regularly levied and collected as therein provided and said Fund is now intact.

**Alternative Bids are requested:**

(1st) On the basis of both Principal and Interest payable in New York, Montreal, Toronto or Regina, at holder's option.

(2nd) On the basis of both Principal and Interest payable in Montreal, Toronto or Regina, in Canadian currency only.

Alternative offers to be made on the basis of 5% and 5½% interest rate.

Tenders for the above issue may be for the whole or any part of same.

The Bonds are a direct obligation of the City at large and are issued in Coupon form with Interest payable semi-annually and Principal at date of maturity.

Provision is made for registration of Principal only.

By-Laws covering the above issue have all been legally approved by Alex. Bruce, K.C., and certificates given under date of June 25th, 1914.

The right is reserved to reject any or all proposals.

Further information will be furnished upon application to the undersigned.

JNO. E. SNOWBALL, City Treasurer.

# $16,000,000.

# City of Montreal, Canada

## Gold 5% Bonds

**Sealed tenders will be received at the office of the City Treasurer, City Hall Annex, Montreal, Canada, for the purchase of the undermentioned securities, viz:—**

**$13,000,000.**—Gold Bonds, in two issues authorized by the same By-law, one of $6,900,000, bearing the letter D, and one of $6,100,000, bearing the letter F. Both issues dated 1st November, 1922, and maturing 1st May, 1954, bearing interest at the rate of 5% per annum, payable half yearly, on the 1st May and the 1st November, at the City Treasurer's Office, Montreal, or at the Agency of the Bank of Montreal, New York, U.S.A., at the option of the holder. Issued for the purpose of refunding temporary loans of like amount, for Public Works. The Sinking Fund on these loans has been in operation since the 1st May, 1914, date of issue of the first temporary loan.

—also—

**$3,000,000.**—Gold Bonds, dated 1st November, 1922, and maturing 1st November, 1942, bearing interest at the rate of 5% per annum, payable half yearly on the 1st May and the 1st November, at the City Treasurer's Office, Montreal, or at the Agency of the Bank of Montreal, New York, U.S.A., at the option of the holder. This loan is issued to form a working capital to finance the proprietors' share of the cost of sewers, sidewalks and other permanent improvements pending collection of the assessments, and for other purposes.

Bonds of all issues will be in the denomination of $1,000 each with interest coupons attached but may be registered as to principal only.

Accrued interest from the 1st November, 1922, to date of delivery to be paid in addition to the price tendered.

Every tender must be accompanied by certified cheque on the Montreal Office of a Canadian Bank, payable to the City Treasurer, for one per cent. of the face value of the Bonds, as security for the performance of the bid, if accepted. No interest will be allowed on the certified cheque of deposit.

Tenders must be addressed:—City Treasurer, City Hall Annex, Montreal, Canada, and marked "Tender for City of Montreal Bonds" and delivered not later than twelve o'clock, noon, on the 30th day of January, 1923, at which hour the tenders will be opened at a public meeting of the Executive Committee of the City, in their Committee Room at the City Hall Annex, Montreal.

Tenders must be made for the whole amount and not for any part thereof. The right is reserved to reject any or all bids.

The Bonds will be delivered at the Agency of the Bank of Montreal, 64, Wall Street, New York, on the 5th of February, 1923, or at any time between that date and the 28th of February, 1923, at the option of the purchaser. Payment to be made in New York Funds, on delivery.

Further information and particulars may be obtained from the City Treasurer, City Hall Annex, Montreal, Canada.

P. COLLINS,
Assistant-City Treasurer.

City Treasurer's Office, 22nd January, 1923.

# Corporation of the City of Trail, B. C.

**TENDERS FOR DEBENTURES**

Tenders will be received by the undersigned up to 5 p.m. on Monday, February 19th, 1923, for the purchase of $11,980.29, 6%, 20-years, local improvement sinking fund debentures. Denomination $500.00 and one debenture for $480.29. Debentures are dated February 1st, 1923. Interest payable semi-annually on February and August 1st. Debentures are ready for immediate delivery. Interest and principal payable at Bank of Montreal at Trail or Toronto.

The highest or any tender not necessarily accepted.

WM. E. B. MONYPENNY,
City Clerk.

# Interprovincial Brick Company of Canada Limited.

**COMMON DIVIDEND**

Notice is hereby given that a dividend of 1½% (one and one-half per cent.) on the Common Stock of the Interprovincial Brick Company of Canada, Limited, has been declared, payable January 31st, to Shareholders of record January 26th, 1923.

By order of the Board.
A. M. MARSHALL,
Secretary-Treasurer.

Montreal, January 19, 1923.

## THE MONTREAL CITY AND DISTRICT SAVINGS BANK.

The Annual Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the twelfth of February next, at twelve o'clock noon, for the reception of the Annual Reports and Statements and the election of Directors.

By order of the Board.
A. P. LESPERANCE,
General Manager.

## BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Thursday, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1923.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th January, 1923.

## Dominion Bridge Company, Limited

**DIVIDEND NOTICE**

A Quarterly Dividend of One per cent. (1%) has been declared, payable February 15th, 1923, to Shareholders of record at the close of business on January 31st, 1923.

By Order of the Board,
R. MONTAGUE DAVY,
Secretary.

Montreal, January 17th, 1923.